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Third Session—Twenty-eighth Parliament 1970-71

## THE SENATE OF CANADA

SPECIAL COMMITTEE
ON

# POVERTY

The Honourable DAVID A. CROLL, Chairman

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- -Choquette, Hon. Lionel (Ottawa East) 12:6, 12:9-10
- -Connolly, Hon. John J. (Ottawa West) 12:5, 12:8
- -Flynn, Hon. Jacques (Rougemont) 12:15
- -Paterson, Hon. Norman McL. (Thunder Bay) 12:15









Third Session —Twenty-eighth Parliament 1970

## THE SENATE OF CANADA

PROCEEDINGS OF THE SPECIAL SENATE COMMITTEE ON

# **Poverty**

The Honourable DAVID A. CROLL, Chairman

No. 1

THURSDAY, OCTOBER 15, 1970

## MEMBERS OF THE SPECIAL SENATE COMMITTEE ON POVERTY

The Honourable David A. Croll, Chairman

The Honourable Senators:

Bélisle
Carter
Connolly (Halifax North)

Cook

Croll
Eudes
Everett
Fergusson

Fournier (Madawaska-Restigouche,

Deputy Chairman)

(18 Members) (Quorum 6) Hastings Inman

Lefrançois

MacDonald (Queens)

McGrand Pearson Quart

Roebuck Sparrow

## Orders of Reference

Extract from the Minutes of the Proceedings of the Senate, Thursday, October 8, 1970:

With leave of the Senate,

The Honourable Senator Croll moved, seconded by the Honourable Senator Fergusson:

That a Special Committee of the Senate be appointed to investigate and report upon all aspects of poverty in Canada, whether urban, rural regional or otherwise, to define and elucidate the problem of poverty in Canada, and to recommend appropriate action to ensure the establishment of a more effective structure of remedial measures:

That the Committee have power to engage the services of such counsel staff and technical advisers as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, and to report from time to time;

That the Committee be authorized to print such papers and evidence from day to day as may be ordered by the Committee, to adjourn from place to place, and notwithstanding Rule 76 (4), to sit during sittings and adjournments of the Senate;

That the evidence taken on the subject during the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Bélisle, Carter, Connolly (Halifax North), Cook, Croll, Eudes, Everett, Fergusson, Fournier (Madawaska-Restigouche), Hastings, Inman, Lefrançois, MacDonald (Queens), McGrand, Pearson, Ouart, Roebuck and Sparrow.

After debate, and-

The question being put on the motion, it was-

Resolved in the affirmative.

Robert Fortier, Clerk of the Senate.

## Minutes of Proceedings

Thursday, October 15, 1970

Pursuant to adjournment and notice the Special Senate Committee on Poverty met this day at 9.00 a.m.

*Present:* The Honourable Senators: Carter, Cook, Croll, Fergusson, Hastings, McGrand. (6)

In attendance: Mr. Frederick J. Joyce, Director.

After calling the meeting to order, the Clerk requested that the meeting proceed to the election of a Chairman for the Committee.

On Motion of the Honourable Senator Carter, the Honourable Senator Croll was elected Chairman.

The Honourable Senator Croll being in the Chair, on Motion of the Honourable Senator Fergusson, the Honourable Senator Fournier (Madawaska-Restigouche) was elected Deputy Chairman.

On Motion of the Honourable Senator Hastings, the following were appointed to sit on the Steering Committee:

The Honourable Senators: Croll (Chairman); Fournier (Madawaska-Restigouche), Vice-Chairman; Carter, member; Fergusson, member; Lefrançois, member; Pearson, member; Quart, member; Cook, alternate member.

On Motion of the Honourable Senator Carter, it was unanimously agreed,

That employment of the Committee's staff be continued on the same terms and conditions with effect from the first day of the present session.

On Motion of the Honourable Senator Carter, it was unanimously agreed,

That the following briefs be printed in the record of proceedings of the Committee:

1) The Canadian Jewish Congress Statement on Poverty

- The brief submitted by the Canadian National Institute for the Blind
- 3) The brief submitted by The Society for Crippled Children and Adults of Manitoba (The Men's Social Club)

The following witnesses were heard:

The Family Bureau of Greater Winnipeg:

Mrs. Phyllis Hogan;

Mrs. Marie Havens;

Mrs. June Menzias, President, Family Bureau Board;

Miss Jacqueline Briscoe, Family Bureau Staff.

The Manitoba Association of Social Workers:

Mr. Clark Brownlee, Chairman, Social Action Committee of MASW and Supervisor at the Family Bureau of Greater Winnipeg;

Mr. Vern Gray, Chairman, Sub-Committee on Poverty of MASW and Group Work Supervisor at the Society for Crippled Children and Adults of Manitoba.

The briefs submitted by The Family Bureau of Greater Winnipeg and that by The Manitoba Association of Social Workers were ordered to be printed as Appendices "A" and "B" respectively to these proceedings.

At 12.40 p.m. the Committee adjourned until Tuesday, October 20, 1970, at 9.00 a.m.

ATTEST:

Georges A. Coderre, Clerk of the Committee.

ERRATA: In proceedings of this Committee No. 54 Second Session Twenty-eighth Parliament 1969-70, Tuesday, July 7 and Wednesday, July 8, 1970, on pages 54:11 and 54:12 reference is made to "the International Grenville Association". It should be changed to "the International Grenfell Association".

## **The Special Senate Committee on Poverty**

## **Evidence**

Ottawa, Thursday, October 15, 1970

[Text]

The Special Senate Committee on Poverty met this day at 9 a.m.

The Clerk of The Committee: Honourable senators, I call the meeting to order. Is it your pleasure to elect a chairman?

Senator Carter: I move that Senator Croll be chairman.

Hon. Senators: Agreed.

Senator David A. Croll (Chairman) in the Chair.

The Chairman: Honourable senators, before introducing our witnesses, I should like to deal with three or four routine matters as this is the first meeting of this committee in the new session.

The first item is the selection of a deputy chairman. I am sure all senators will agree that this position should be filled by Senator Fournier (Madawaska-Restigouche).

Senator Fergusson: I so move.

Hon. Senators: Agreed.

Note: At this point a number of administrative matters were resolved.

(Please see Minutes of Proceedings).

The Chairman: We have before us this morning the Family Bureau of Greater Winnipeg. Sitting on my immediate right is Mrs. Phyllis Hogan. Next to her is Mrs. Marie Havens and then Miss Jacqueline Briscoe. Then there is Mrs. Menzias, Mrs. Campbell and Mrs. Richards.

Now Mrs. Hogan will take a few minutes to discuss the brief and then we will have the question period.

Mrs. Phyllis Hogan, Family Bureau of Greater Winnipeg: First of all we wish to thank you for inviting us to Ottawa to present our brief in person.

We are here under the auspices of the Family Bureau of Greater Winnipeg, however, we feel that we are representative not only of our committee and the Family Bureau, but of all the families in Canada who belong to what is termed "the working poor". We represent families who find themselves in the low-income group not only because of the normally accepted social ills, but also those families who find that in order to maintain the accepted standard of living both parents must work, and families who would have a sufficient income in normal circumstances but find their resources drained by ill health or business reverse.

We feel that the stigma attached to welfare recipients could be alleviated by making known to all the people in this wonderful country of ours that for every one person who abuses the welfare system, there are many many more who try to work to maintain decent standards. However, due to the lack of knowledge of what they have a right to request by way of assistance, whether resourcewise, monetarily or, and what is sometimes more important, moral support, these people often find that the load is too heavy and finally give up in bitterness and frustration: thereby, they become totally dependent on the welfare system. We formed our committee primarily because essential services which were being, and still are. provided to us, by the Family Bureau, were threatened with being curtailed, due to lack of funds. These are the "day care" and "homemaker" programs. We found, on discussion, that although this was a prime concern, there were many other problems which needed studying. These we have outlined in our brief.

We found that our main concern was the care of our children, who, we feel, are the ones who will suffer if assistance is not forthcoming soon. This is extremely important for, through our children, Canada will be seriously affected in the future. We, the working poor, make up a large portion of the total population, and, unless some stable plans are resolved, whether it be by a guaranteed annual income, or by the provision of special resources, we are in trouble. We feel that the resource area is a more effective way as we all must realize that money alone cannot buy health, happiness and human dignity, whereas resources, such as upgrading, recreational facilities, buyers clubs and other essential services give us an incentive to help ourselves. We would also point out that we are well aware that, basically, the resource services boil down to dollars and cents as well, but they can be administered in a much more humane way.

Further, we feel that amalgamating welfare systems, whether at the federal, provincial or municipal level and delivery service on a community scale, would involve more of the people themselves, and would better inform us of all the combined facilities that could be forthcoming to ourselves and our children. We should always keep in mind that an ounce of prevention is worth a pound of cure.

We feel that the people of Canada, including all income brackets, should be educated to the realization that the working poor need help now: educated in order to make everyone aware that our problems, for the most part, are caused by circumstances beyond our control: advised that we don't want "hand-outs", and that we want the many, many people who believe that welfare is a "dirty" word, instead of saying or thinking "What can you expect?", to turn around and begin to ask, "How can we help you?"

[Translation]

Mrs. Marie Havens, Member of the Family Bureau of Greater Winnipeg: We are happy to have the opportunity of providing you with additional information on the memorandum we have submitted

Poverty is a human condition often analysed but seldom understood. This is perhaps due to the very limited opportunities for

seeing what real poverty is. The attempt to give a picture of poverty is often based on the distribution of economic resources and the division of the classes of society.

It is impossible for us to define poverty. It is too vast a subject for us to be able to do it adequately. As we see it, poverty depends on circumstances and bears a very close relation to the style of life of each individual. As a result, you will find that in our memorandum we have related the experiences of people living in conditions of poverty, thus providing a clear picture of the constant frustration they face in never having sufficient resources to enable them to achieve the standard of living that prevails in the community round them. We see poverty as something at once more insidious and more intangible than a lack of financial resources, food and clothes. We do not deny that these deprivations are part of poverty. We base our thinking on the fact that constant deprivation and the incapacity to be self-sufficient are debilitating and impoverishing conditions for the human mind and the human spirit.

We too often find programs which are conceived in a real spirit of service but which bear very little relation to the needs and desires of those whom they are intended to help. We request, therefore, in the first place, that those who work on programs or who are in a position to influence them should be fully informed of the needs and desires of those whom we all want to help. Our aim is to find real solutions to the actual problems and not to imaginary ones. To this end it is absolutely necessary to ask the advice of people who are informed about the situation, thus establishing lines of communication.

Our other recommendations are clearly indicated at the end of our memorandum and list those fields of action which are of primary importance in any intensive research program into the problem of poverty.

We do not study those situations where extreme poverty, famine and primitive conditions exist and call for radical change but limit ourselves to the problems of the working class poor, which includes most of the poor in Canada. It is they who suffer from the most complex and subtle forms of poverty, but, in view of the fact that they have the capacity of earning a salary, our primary concern is not to provide them with financial resources. In these cases it is necessary rather to get a picture of their general living conditions and to try to find ways of improving the living conditions of these individuals and families.

We attempt, then, to explain the situation of these people who want to improve their standard of living but who are prevented from doing so by adverse circumstances such as: lack of jobs, lack of education, the mechanization of industry and the constant rise in the cost of living.

#### [Text]

Mrs. Havens: It has been our constant concern in preparing this brief that the more elusive qualities of a life under conditions of poverty be revealed. We have tried to illustrate the pain, discomfort, fear and powerlessness which is a part of the daily lives of many. These are feelings which we have encountered and struggled with and it is our hope that the ideas for change arising out of our experience can in some way alleviate the difficulties and confusion yet to be faced by many more people. We ask that you carefully peruse our brief and thank you for the opportunity to present our thoughts today.

Senator Carter: I am very interested in the Family Bureau. Apparently it is financed by the provincial government. How is the Family Bureau organized? Is it just organized in Winnipeg or in every city, in every district in Manitoba?

Mrs. June Menzias, the Family Bureau of Greater Winnipeg: I am president of the Family Bureau of Greater Winnipeg and it is a single family agency. We have family agencies in several cities across Canada and we are opening now in Ontario where the family agencies are organized into a provincial group now.

In Western Canada we just had a meeting very recently to get together and try to give each other strength by a western organization

The home maker and day care program is financed through the Canada Assistance Plan and the provincial government. The United Way of Greater Winnipeg also helps in financing, as far as counselling services are concerned. It is both governmentally and privately financed.

Senator Carter: It is a group of voluntary citizens who receive grants from the provincial government and other agencies to finance it?

Mrs. Menzias: Yes. It has a volunteer board of 20 members and the staff is about the same size. The professional staff plus the administrative staff comes to about 20 people.

Senator Carter: How long has it been in existence?

Mrs. Menzias: For 35 years.

Senator Carter: On a voluntary basis?

Mrs. Menzias: Yes, on a voluntary basis during the whole of that time.

Senator Carter: The Family Bureau provides what is called "special services". What kind of criteria do you have, to decide who is to get those special services, or what special services are needed? How do you decide to give it to this one and refuse to someone else?

Mrs. Menzias: Miss Briscoe, a professional worker with the Family Bureau, will answer that.

Miss Jacqueline Briscoe, Family Bureau of Greater Winnipeg: I may say, by way of explanation, that the two special services are day care and homemaker services. These are special, in that they are not the traditional counselling kind of services. The idea is that people in need of help like this—day care being help during the day for children, and homemaker being care in the home for a familyapply to the agency and ask for this help. We discuss the situation with them. As long as they meet a very, very basic eligibility requirement, we will provide the service. The kind of eligibility requirement to enable us to provide a service are, for the homemaker, that it must be a family, and they must have a basic need for help of this kind—in other words, the mother is not in the home, or there is illness or death, or she has deserted the family; or, vice versa, the mother being on her own and requiring care for the children while she works. There are many situations where there is mental illness and we will put a homemaker in to assist the mother while she is in the home.

The situations which we do not cover are, I think, rather common sense ones. We do not put a homemaker in, for example, if the parents are away on vacation. Legally, we are in trouble if we put a homemaker in for over a 24-hour period. If there are no parents present at all, we have no right to take custody of the children as an agency. In that case, there is the Children's Aid Society or it is more of a governmental agency that does this.

There are other services than ours who look after individuals who are physically disabled or are elderly persons.

The same kind of criteria applies to day care, except that it is a service for usually a maximum of two children. Beyond that, it is not economically feasible, and we would rather use a homemaker. Does that explain it clearly enough?

**Senator Carter:** Yes, thank you. On your finances, do they fluctuate very much from year to year? You get a grant from the government. Does that grant stay steady, at the same level, for a very long time?

Mrs. Menzias: Every year we put in a budget and we always try to increase it, but over the last few years we have been kept very stable. We really have not increased the services in the province, even keeping up with the increase in the cost of living. The service itself is not expanding according to the need that exists for it.

**Senator** Carter: What is your relationship between the Family Bureau and the provincial welfare authorities? Do you have a very close relationship?

Mrs. Menzias: Yes, we work closely together. Cases are referred from one place to another. When the family bureau was cut off, when the Canada Assistance Plan came in, we were operating under the impression that we would be allowed to expand our services and then we found that the province could not finance it and we were cut back and had to stop service—at this time cases that really needed help would have to be referred somewhere else. In this way there is close relationship.

**Senator Carter:** Do you operate on a provincewide basis or only for Winnipeg?

Mrs. Menzias: Only in Greater Winnipeg.

**Senator Carter:** So in the rest of the province there is no special service such as you have?

Mrs. Menzias: There are some other agencies. There are private agencies providing something of the same kind. There is the Jewish Child Family Service and there are a few Catholic Family Services.

Miss Briscoe: Are you referring now, senator, to the home maker and day care services?

**Senator Carter:** The whole range of services. What services are there in Manitoba.

Miss Briscoe: In other parts of Manitoba I think you will find the children's aid societies and the provincial welfare authorities are picking up a great amount of the work. There are relatively few private agencies in the rest of the province, financed on the same basis as ours and operating under the same conditions. Senator Carter: In your first recommendation, on page 107, No. 1, says that the poor should be viewed as participating members in society and recognition of their potential should be recognized. Do you feel that there is any progress being made in this direction?

Mrs. Menzias: Mrs. Hogan, would you like me to take that question?

Mrs. Hogan: Very well.

Mrs. Menzias: I am not really attempting to flatter the committee or Senator Croll but I believe that since the Senate Committee on Consumer Credit and since the Senate Poverty Committee started, there has been, right across the country, a great concern for these people and a greater participation by people themselves. For example, this group here is participating very actively, but we were brought together originally because of the impetus given by the committee on poverty. This gave us a chance to sit down and look at ourselves and see how we all fit into the economy in a way we had not done previously.

The Chairman: Honourable senators, let me tell you that when we had our discussions on consumer credit and truth in lending, Mrs. Menzias was a tower of strength. She cut them down to size at various times. We owe her a debt and I was glad to see her here.

What are you doing to involve the people in welfare, in your active work at the administrative and at the decision making level. That is the point.

Mrs. Menzias: We have two cases right here: one at the decision-making level, Mrs. Havens, the mother of three teenagers who has been a sole support mother for 13 years who during that time has been secretary to a church and school complex and has been for three years a member of the board of the Family Bureau; and Mrs. Richards a recipient of welfare who is now employed by the City of Winnipeg as a case aide, helping a professional social worker to make the contacts and do the work that goes with doing effective professional social work.

Senator Carter: We recently appointed a National Welfare Council, and that council has some of what we call representatives of the poot on it. Do you feel that is a step in the direction in which you want to go?

Miss Briscoe: May I comment on this? I would like to clarify one thing. In our brief we tried to make it clear that we were not talking just about "welfare recipients." Mainly our concern in the agency was that there was this other group, the working poor, not welfare recipients necessarily, needing to have a voice. I think the National Welfare Advisory Council is one type of service that involves many people involved in the welfare system. There should be more involving people who are in the very low income bracket. We are trying to do it with the people here. In fact three of our representatives are people who are receiving service from the agency presently. They are working on a brief and they are also acting in somewhat of an advisory capacity to our homemakers' service, and we are hoping, as a group, they will themselves, not necessarily under a mandate of the agency, be able to work on a project in the community to further some of the things we are presenting in the brief. I think this is the kind of thing we are referring to when we say they need to be more involved and need to be given a chance to do something.

Senator Carter: On page 108, in your second recommendation you say that the existing services should be revamped in the communities and in the welfare system. Could you give us a little more detail of what kind of revamping you would like to see?

Mrs. Hogan: I think in many ways there are too many different associations, too many different levels you have to deal with I think one basic, amalgamated effort would be better. In my own case I have a worker at the provincial welfare and one at the Family Bureau, and previously my son had a worker at the Child Guidance Clinic, and there was no co-ordination. I think this is something that should be looked at, so that one adequate person could do the whole thing rather than have three people do it.

**Senator Carter:** All these services are administered at the provincial or at the municipal level. Have you taken this up with the provincial authorities?

Mrs. Hogan: Actually, we have just started working on this now, but I think it is something that could be done.

The Chairman: Under the Canada Assistance Act they took four acts and amalgamated them into the Canada Assistance Act. What she is saying to us, as I understand her, is: Put all the acts together under one act and operate from that in the method of delivery. She has some friends around this table on that point. That is what she is saying, in effect.

Senator Fergusson: Mr. Chairman, I would like to say that I think this was a tremendous brief, and I like very much the actual cases you have quoted which, I am sure, made us all realize the problems many of you have. I like too, the fact that you did not hesitate to include the names of the people who were interested. I certainly congratulate you on the tremendous amount of work you have done and the number of meetings you held to prepare this brief. I think it is most impressive. Also so many people attended the meetings, which I thought was wonderful too.

Senator Carter was asking you about the Canada Assistance Plan, and Mrs. Menzias mentioned that although when the Plan came in you hoped you were going to expand your work with day care and homemakers, finances were such that you were not able to. Is there any hope that there might be a change and that you might be able to expand these services in the future?

Mrs. Menzias: In Manitoba, if you are familiar with the situation, there is a good deal of rethinking about the delivery of service, particularly within Metro Winnipeg, and there is new planning in the government, but we do not know at this moment what is going on

I think the problems that faced Manitoba faced many provinces. At the time the Canada Assistance Plan came in it looked to be a very good thing, and then we found that an open-ended program could put us all into very serious financial trouble.

Senator Fergusson: You are speaking about rethinking, and I suppose you have in mind the Winnipeg Social Audit.

Mrs. Menzias: Yes.

**Senator Fergusson:** Do you know what is going to be the result of that, or is that what you are rethinking?

Mrs. Menzias: Yes, this is part of the rethinking. We are also taking a very strong look at the priorities and as to whether or not the type of program we have in the Bureau, a preventive program, ought not to be given a higher order of precedence in the delivery of service. This is the kind of thinking we are hoping is going on and that we are trying to encourage.

Senator Fergusson: You did not mention anything about the guaranteed annual income. I would be interested to know if you have any thoughts on this, and what you might think would be a fair income for a family of four, say, if it should be that we are going to have legislation providing a guaranteed annual income.

Mrs. Menzias: Senator Fergusson, I would like to speak now, not representing the Family Bureau, but as an individual. When you look at the families living below the poverty line you find that more than 80 per cent, or so, are there because they have children under the 16-year age limit. You find this in Jennie Podoluk's breakdown of families in poverty. So I feel very strongly that more important than implementing a guaranteed annual income would be some way of paying mothers in the home, who are looking after their children, for the labour involved in raising children. They are making a contribution to the economy that is not being recognized and is not included in the Gross National Product. I would like to see this approached from that angle, before we implement a guaranteed annual income. I think the work that is being done should be rewarded.

Miss Briscoe: I would like to make a further comment. The group that wrote the brief really did not feel themselves to be expert enough in conditions or types of planning going on under the guise of guaranteed annual income. Therefore, they did not feel competent in making any recommendation. What seemed more important to the group, as we discussed it, was much more of the provision of what we call supplementary services, things that did not necessarily mean money in the hands of the people, but more opportunity for people to better support their life. These might be things like homemaker and day care, or they might be certain kinds of loans to allow people to purchase property without jeopardizing their position, and various things like this, rather than to say specifically: yes, guaranteed annual income. They really did not feel competent.

Senator Fergusson: I can understand that.

Senator Hastings: Mr. Chairman, I have a supplementary question concerning children and child care. Mrs. Menzias, I am in wholehearted agreement with your view. It is extremely important if our children are not to be seriously affected in the future. I wonder if you would elaborate on this a little bit, because I could not quite follow your thinking. I am a great believer in some change in the family allowance structure by which adequate allowances can be paid to a child who remains in school. I am thinking of \$40, or even \$60, a month in order to keep a child in school so that he can maintain the standards of his fellow students. Not being able to maintain certain standards is, in my view, a cause of dropping out. A child can receive a stigma even in kindergarten, and that is why he turns away from school, and tomorrow he may be a penitentiary inmate. and we will spend thousands of dollars on keeping him in the penitentiary. I am a great believer of restructuring the family allowance in some way so that there will be the payment of an adequate monthly allowance to a child. You, Mrs. Menzias, seem to lean towards the payment of an allowance to the mother.

Mrs. Menzias: That is right.

Senator Hastings: And not to the child?

Mrs. Menzias: It should be paid to the mother because of the work she is contributing to the economy. She gets no tax credit for performing this work, and she has no pension rights. She works for many years, but she does not enjoy the benefits that go to other workers in this country.

Senator Fergusson: She would have to come under the Canada Pension Plan.

Mrs. Menzias: Yes. These are all basic parts of the problem of poverty in this country.

Senator Hastings: To get this money into the home you would not go through the student? You would go through the parent the mother?

Mrs. Menzias: Yes, that is right, through the mother, or the father if he is looking after the family. Fathers, you know, find themselves in the same position as mothers when they are left alone with a family. Perhaps the problem is not quite so severe in their case because they have their jobs and an income, but a father is severely strained if there is no homemaker to step in and hold that home together. As you can see from the case studies, it does not depend upon the sex of the parent; it depends upon the responsibility for the care of the family.

Senator Hastings: I met a father of five children who found himself in this situation. He stayed at home and maintained the home for those five children who were at school. He asked me if I thought he was doing the right thing, and I said: "Yes, you are. Stay in that home. You are more valuable there because by staying at home you are preventing five children from getting into trouble later on in life."

The Chairman: We heard this problem, particularly from the farmer's point of view, for many years in the House of Commons. It was contended that the farmer's wife was entitled to be paid because she usually worked harder than the farmer's helper. But, they did not get very far with it. I do not think that we in this committee are going to solve the problem of women's liberation all at once. However, we are sympathetic with it.

To deal specifically with Mrs. Menzias' point—I would say that in this business you reach for the possible. We have been talking about paying women for their work. It does not seem right that they are not paid. However, we are within reach of a guaranteed annual income. Read your press. The people who appeared before this committee are not idiots, and every group, with the exception of the Canadian Chamber of Commerce who endorsed it only for the disadvantaged, endorsed the guaranteed annual income. I am sure you have read the brief.

Mrs. Menzias: Yes.

The Chairman: So, there is a consensus from which we can work. Never mind the expense at the moment. That is serious, but we will deal with it. So, we work from the possible. Miss Briscoe, if you give the people all of the services they want; if you give them the kind of social services that they really should get, instead of engaging in this hurry-up business that amounts to very little, which is of no real use to them, can it satisfy them without their having some income in their pockets?

Miss Briscoe: Would you ask some of the people receiving these services to comment?

Senator Hastings: Before they do, Mr. Chairman, I should like to take issue with you on your statement that everybody is in favour of a guaranteed annual income. The experts and the social workers are the only ones I seem to find in favour of a guaranteed annual income. When I speak to the people most directly affected they will inevitably, time and time again, say that what they want is not necessarily money.

The Chairman: But everyone who has come before this committee, and every brief we have received, has endorsed it. I cannot recall anybody who has not. If there are any then they are very few. I point out that we have never said that that alone will solve the problem. We have said that that is the beginning.

Senator Fergusson: Some of them have stressed services more than money, but they have said that they have to have money as well.

**Senator Hastings:** But when we come to the people who are affected they say that it is not only a guaranteed annual income, or not only money, that they want.

Mrs. Hogan: We are not welfare recipients and consequently we have some money, but we cannot buy some things. We cannot buy camps for the kids, and we cannot buy medical facilities.

Senator Fergusson: Or dental care.

Mrs. Hogan: That is right. These are things we cannot purchase because we do not earn enough. If you are not working then you have to have money because you cannot live otherwise, but the people we represent are working, but our incomes are not sufficient to give our children or ourselves the services that are so expensive.

Mrs. Rod Campbell, Family Bureau of Greater Winnipeg: I feel that quite often we have an income that is suitable, but that is not the problem. The thing is that when you reach the point where you incur a great deal of medical expense because of health problems then your extra money is drained off. My own family is listed in that brief, and we have a reasonably good income, and normally we could live on this, but due to illness on both my husband's and my own side, we cannot afford for our own children the things that other children have such as music lessons and dancing lessons, and this is where our children feel the difference. They want to engage in these activities, but we cannot afford them. I do not think a guaranteed annual income can do this. It is not a question of money; it is a question of making these things obtainable.

Senator Hastings: You are speaking of access to services?

Mrs. Campbell: Yes, and in this respect a guaranteed annual income does not mean anything, because there are many people who will abuse it. But, people like us, the working poor, who have tried very hard to live are finding that we are just existing.

Mrs. Havens: I would like to make a comment here. I have been working and the sole support of my family for thirteen years, and I have yet to say anywhere that I want a guaranteed annual income. It has never been something that I have wanted in those thirteen years. But, there is a group that is not being recognized, although I must say that I am out of it now, and it is composed of the people who leave the welfare and who find that they have to manage on a very low income. When you make that break from welfare to the working world, it is terrifying. You have access to nothing. This is the part that I stress in the portrait of the poor; we are tired, drained of energy and do not know where to turn. As you say, we are not the ones who are asking for the guaranteed income, but we want to be able to reach what is already there. However, somehow we cannot reach it; we do not know where to get to it. If it is there we have to buy our rights. There is no way of getting what is there; it is not within our reach, because we have no contact to begin with.

A person on welfare or at a very low level does not know anyone. It took me years to arrive at a level where I knew where to obtain bursaries, or even that bursaries were available. It was proposed that there be a tax deduction for baby sitters. That is fine if you are at a level where you pay tax. It took me ten years before I paid a little tax. By that time my children were baby sitting themselves. What help did I or anyone else get under that kind of proposition? Do you have to make money in order to receive benefits?

Senator McGrand: One of you said that the needs are expanding. Are they expanding mostly in Winnipeg and is that expansion to an increase in population or an increase in problems?

Miss Briscoe: First of all, I do not think I can speak for the country.

Senator McGrand: No, just in Winnipeg?

Miss Briscoe: I cannot compare it with other provinces. I have not carried out a sociological study which would enable me to say yes, the problems are increasing, or anything of that nature. We are receiving more and more requests for assistance in the homemaker service of which I have charge. This is partly due to the fact that services are becoming much more convenient to receive. People are therefore becoming aware and making use of them. Better use of the services accounts for the growth.

Problems are becoming somewhat more severe, in that there are many, many more sole support parents. You have probably noticed in many briefs that sole support parents do need extra assistance because of the special problems that they face.

I do not believe that the City of Winnipeg has dramatic population growth. At times it has even decreased because of people moving away from the province and so on. Increase of population is not the reason.

**Senator McGrand:** Could you cope better with your problems if you were involved in the administration of moneys and the development of services for the welfare recipient?

Miss Briscoe: It is a matter of faith on my part; I believe we could.

Senator McGrand: The consensus of those we met last fall in Halifax seemed to be give them services, not guaranteed income. Therefore it is a question of coping with problems through administration of existing services and funds presently available. Would that help alleviate your immediate problems?

Mrs. Havens: You specifically mentioned the welfare recipient. He has access to services but the person who is earning, perhaps the same amount or even less, is not on welfare because he has earning capacity and therefore does not have access to the services available to the welfare recipient. He has no one to turn to and does not hear about these services. The welfare recipient has a worker and can phone the department in emergency. He is provided with sitters. It is terrific. I was reluctant to get off welfare because of the security it provided. If it happened today I would not get off it immediately. We do not have access to these services but you do on welfare because you are not alone.

The Chairman: The department responsible for welfare in the Province of Newfoundland issues a booklet listing the services and benefits that are available. I do not think this is the case in Manitoba.

Mrs. Bev. Richards, the Family Bureau of Greater Winnipeg: We do have such information.

Senator Hastings: It is available to the welfare recipient.

The Chairman: No; it is available to all as a Government publication. These ladies are referring in effect to something which we will have to face up to very shortly. There are people on welfare in most provinces under our present system who are receiving more or at least as much as those working full time for minimum wages.

Senator Hastings: Plus services.

The Chairman: Now, if that does not shake the country, nothing will, but the statement is true. I did not say how many provinces but I will at a later time.

In effect this woman is saying she goes off welfare and immediately loses medicare, drugs, optometry and other miscellaneous benefits. In Ontario this means \$50 a month and in Quebec \$40 a month, and somewhere in between those amounts in the remaining provinces. In addition she has to pay taxes on income over \$2,700. Now, that is the difference between the working poor and the people on relief. This is the reference made by the witnesses. However, we have a different problem in the committee, to ask ourselves if we are going to introduce the working poor to the welfare system. Before an answer can be arrived at some serious thinking is necessary, because in my view it can be fatal. While the witness was receiving welfare these services were available; the minute she got off welfare the benefits ceased and she was alone.

Senator Hastings: She lost that security, whatever it offered, and was on her own.

The Chairman: Half of the poverty problem is represented by the working poor; half is in the disadvantaged. It divides just that way and the real problem we have to face is the disadvantaged. We understand the other.

Mrs. Hogan: Why would it be fatal?

Senator Hastings: It would be fatal to place the working poor in the welfare system.

Senator Fergusson: Mr. Chairman, this group of witnesses and perhaps, especially, Mrs. Havens, have made this problem clearer to the committee than have any witnesses who have appeared previously. They have actually experienced it and told us what their reactions are.

The Chairman: And the case history is good.

Senator Fergusson: The case history is good.

The Chairman: That is what struck me. I was telling them that it is a big brief and I was a little reluctant to spend this kind of government money to print this brief, but when I read it through the case histories are far too important not to.

Mrs. Havens: I would like to make a suggestion. I believe there was a scale put out by the Government — I am not sure on this — about the poverty level, that you have to have so many children and so on. The thing is that I find myself under that level, so I am in the poverty level. That is fine, but that is as far as you can go with it. Now, you will apply for certain things and you have to go through a whole means test. All right, okay, you have done it 13 years so what is the difference? You keep on doing it. I would like to have it that once you go through that certain means test for one thing, let us say for dental, this and that, it does not have to be repeated every day until you are drained, and I do mean drained.

The Chairman: That is what Mrs. Hogan said; that was her point, and we agree with it.

Mrs. Havens: That is right, but further than that, it is not recognized by all the government agencies, that poverty level. That is another thing, your scale is not recognized.

The Chairman: There is no poverty level in this country. The only suggestion as to a poverty line in this country was made by the Economic Council the year before last. The only other one was a Gallup poll in 1965. We took a Gallup poll on our own responsibility. We know something about it and we have some evidence on it, but there is no poverty line in this country at the present time. It will be our task to establish one.

Senator McGrand: I just want to make a correction. I think maybe I did not use the right words when speaking about Halifax, I think we were told: give them more services, not more money, by which they meant welfare money. I think they were referring to welfare money rather than to a guaranteed annual income. I emphasized guaranteed annual income, but I think it was better services they wanted rather than more welfare money.

Senator Cook: I think we had the same problem brought out in Toronto. You will remember the lady there who said they were much worse off when they got off welfare than they were when they were on it.

My point concerns page 111 of the brief, paragraph 371, which states:

Schemes whereby there is a more convenient and accessible distribution of low-cost or subsidized goods to the poor need to be developed and well publicized.

If we keep on increasing the benefits, that is not much good if the cost of living is going up faster than the benefits. I was wondering if some member of the group would like to amplify that statement which I just read. Have you any such schemes in mind?

Miss Briscoe: We are trying to get Mrs. Richards to comment, but she says she is lost for words.

Mrs. Richards: I belong to a Buyers' Club. They have just started within the last year. There is a director in each group, I guess a professional social worker; they are out of the Neighbourhood Services Centre, which I think is provincial.

Miss Briscoe: No, it is private.

Mrs. Richards: They are all volunteer workers, who go around to stores to try to find dented cans, or merchandise from a burned out sale. I do believe my food bill in the last two months is down a third. They should be more publicized.

Miss Briscoe: We are finding a lot of these clubs springing up. You buy a \$1 membership, which entitles you to buy goods at less than half the cost of the regular market price. These are being set up in low-income neighbourhoods in three areas so far in the city, and I am sure they will spring up in many more. This is the kind of help we are talking about that might help in some way the poor people, or the working poor, low income families, to maintain a standard of living that is not affected as closely by the increasing costs. There are many other things that I think could be done in the same fashion. It is a co-operative effort.

Mrs. Menzias: There is another type of group of this nature which deals with another problem. There is a self-help divorce group in Winnipeg, also operating out of the Neighbourhood Services Centre. They find that by helping each other fill in forms and telling each other of their experiences they can obtain a divorce for \$78 in the City of Winnipeg.

In our society this has become absolutely essential, to obtain a divorce, and this is very much cheaper. In fact, I think in Ontario even the Legal Aid Society can charge \$500 for an uncontested divorce. When you think that this is paid for by the taxpayers and they could obtain one for something like \$78, it becomes a remarkable saving.

Senator Cook: I think that is an excellent idea, but it is straying away a little from paragraph 371, which deals with low-cost goods.

The Chairman: Besides, you are hurting my business and that of Senators Cook and Fergusson too! We are all lawyers, although none of us are practising, so you do not have to worry.

Senator Hastings: It is quite a profit.

The Chairman: As a matter of fact, we taught them how to do that when we went down there. They did it, and they did an excellent job. Some of them are pretty smart girls. The government got busy and helped them. They are the best in the country today from the point of view of helping women to obtain divorce, which is essential.

Senator Hastings: On their own without the \$500.

The Chairman: But there is some legal aid available in Manitoba.

Mrs. Havens: Yes, but you have to be at quite a low level to apply, because I was refused.

Senator Cook: Going back to paragraph 371, I think the key words here are "subsidized goods". What I had in mind was subsidizing, say, a range of staple goods — which everybody could buy if it comes to that — which would be available to everybody and help to stabilize or keep down the cost of living. Have you given any thoughts to something along those lines?

Miss Briscoe: We gave some thought to it in that we mention prescription drugs in the brief. We thought there should be outlets that were subsidized in some way, where people could get their prescriptions at a minimum cost, or free if necessary. I think Rosalind would certainly benefit from something like that, because her drugs costs are astronomical. If you don't have \$30, \$40 or \$50 to pay out, you really are jeopardizing your own health. If this kind of outlet were made available it might do something to help.

This is not along quite the same lines, but maybe there could be subsidization with something to do with rent control, where housing costs could be controlled for a family at a certain level. We have some of this in a public housing development, but we are looking at the idea of having something where you would not have to move into a public housing unit necessarily, but a more generalized community thing, where people could literally select their housing and then get a subsidy of some kind. It would not have to be a welfare payment directly. There must be some way this could be worked out. Those are two examples of possible things.

Mrs. Campbell: When you are "assessed," one of the things that they take into consideration is your salary, but they do not take into consideration the cost of drugs and the cost of other things that you want to supply your children with. This is wrong, because when you start thinking about your drugs, the number of people you have to leave your children with when you go into hospital and the place you have to leave them, and the damage this does to the children. This is something that the Family Bureau has helped my family with, because I have been able to keep my children at home.

Mrs. Hogan: If you were to take just your salary and say you can live on your salary, certainly we can live on our salary, but then you would have to get rid of me and my husband because we both have health problems.

Miss Briscoe: The homemaker and day care programs are being subsidized in a very direct fashion for all families. For example, Rosalind requires a homemaker on a pretty constant basis, because her illness has progressed. I would say the majority of the cost of this is borne by the provincial government under the cost-sharing arrangement under the CAP Act. It is also true for Beverley and Phyllis who are on day care. They pay nothing or a very small amount per month for their service to them.

The Chairman: You provide the service. You bill the provincial government and they do it. Instead of them providing the service they buy it. We found that also the case in Prince Edward Island as well as all over Canada.

Senator Cook: Wouldn't you agree that there could be some scheme worked out to allow goods which are subsidized to be kept at a reasonable price limit, such as wheat, sugar and staple goods instead of a housewife having to go around looking for bargains from one store to the other?

Miss Briscoe: I think the Consumers Association mentioned something about this. They have tried to push removal of certain packages and sell in bulk, such as soap in plastic bags. They have found this to be very beneficial if you know where to get these things. If this were more widespread I think it would be of great benefit.

The Chairman: My own feeling is that you are on very dangerous ground. Perhaps many of you will recall that for years and years you could not give margarine away because it was considered poor man's food, despite the fact that it had all the essential ingredients It took many years before people came to realize this. If you set aside any particular food in a subsidized fashion it seems to attach a stigma to it.

Senator Cook: The butter people probably did a better job extolling the virtues of butter than the margarine people did. I do not buy that example. I used to have a client who manufactured margarine.

I was thinking in terms of a general line of food which anyone could buy and kept at a proper level. This might be a better thing perhaps than giving more money.

Senator Hastings: There are areas which I would like to explore with the ladies and get back to the chairman's topic of a guaranteed annual income. Is your rejection of this guaranteed annual income caused by your thoughts or do you see in a guaranteed annual income an extension of the present unacceptable welfare system? Do you see more welfare in a guaranteed annual income or if, as a right to every Canadian we remove the stigma of welfare, would that change your thinking?

Mrs. Havens: This is certainly a personal view, not here, but amongst some of my friends. When discussing the guaranteed income, in our opinion it would take away the initiative that made us struggle to the point where we are now. If we had had the guaranteed income it would have been tempting to sort of let go and I might have sat back. It would have been easier, yes, but just the same that initiative can be taken away so easily when you are down and out. I am afraid that it would only be another form of welfare.

Now that my children are teenagers I can see that it has been an advantage to have struggled without something coming in like a guaranteed income or welfare and I am glad that I went to work. There would not be that many more people who would not be struggling. This does not mean that the struggle has to be as hard as it is, but I cannot see just having a cheque coming in. Maybe this is emotional and being a woman it would be.

Mrs. Hogan: This is the same as someone in Ottawa pushing a button and boom, you have a cheque in the mail. There are many different requirements and not everyone has the same problem or is the same, nor does everyone need the same things. I don't mean that we want mollycoddling but I do not see how a button can be pushed and whoop, you've got it. If you have any guts at all you must work and not just sit back. How many people just sit back unless they abolutely have to?

Mrs. Campbell: A guaranteed annual income would not be suitable to all people. A sufficient guaranteed annual income for Marie might not be enough for me or too much for somebody else.

Senator Carter: It would have to be geared to the needs of the family size.

Miss Briscoe: Rosalind is saying her needs do not show in terms of her family constellation. Her needs are special needs. That is the reason for your existence as an organization in addition to whatever else the Government did to pick up cases such as hers where she is not the normal because of special needs.

Mrs. Havens: I am always afraid of getting direct money from departments, such as the welfare or any government, because then you lose your soul and do not belong to yourself.

The Chairman: Do you lose your soul when you get your Family Allowance cheque, as a result of a button pressed every month? Have you got a father and a mother? Do they lose their souls when they get the Old Age Security cheque?

Mrs. Havens: That is something quite apart from what I am speaking about. They have contributed to their country whereas I have not yet done my share.

Senator Hastings: We have various groups of the working poor, such as the aged, the handicapped, and the female head of the household. Do you feel in any of those areas that a guaranteed annual income would relieve their poverty?

Miss Briscoe: First of all, you say we rejected it. We did not reject it. We said that we were not expert enough to stipulate anything. We did not indicate a view, but talked about things with which we are most familiar and that is services. These are the things that our people stated we needed first. If there are other things that we will derive benefits from, we do not reject it. We do not feel qualified to say this or that or something else. We are in a very difficult area.

**Senator Cook:** As a group, broadly speaking, you can look after yourselves, but you want some protection from getting outpriced in the market with respect to rents, medical services, certain lines of food and clothing which are being outpriced.

Mrs. Menzias: And also services which are provided. We provide a very small service in proportion to the need that exists for homemaker and day care. These are very essential services for sole support families and families in a crisis. It is not only protecting us from price increases and low income, but having a service there when you need it before the family breaks up because the service was not there.

Mrs. Havens: I believe this was pointed out. I said in French that we could not define poverty. This is again the problem. What we are saying is that the one with the lower income is not just a problem of money. He is poor in so many other things and why should the poor have to work twice as hard to get what is available? He has to work twice as hard because he is poor in other things. He has to work twice as hard because he is poor in contacts and in so

many other things. This is a thing I would like to see brought up. I hate to see low income workers having to crawl and work so hard to get at the very thing that is available. It is available but he has to work so much harder.

Senator Cook: It is available at the price.

Mrs. Havens: It may be that it is available, and he may be able to pay a certain price for it, too, but it is twice as hard to get it.

Senator Hastings: You spoke about the special needs of the female head of the house. Would you say, if we were able to inject money into the home or some other assistance, that we would be contributing further to the family breakdown—or is this a myth? This is criticism that has been made, that when you provide special benefits for the female head of the household, we are encouraging the separation of the family.

Mrs. Hogan: It is always a matter of fact. The deed is done. You are already alone. What are you supposed to do?

Senator Hastings: If we provide additional assistance in the form of money or something, to the female head of the household, are we encouraging the separation of the family? Are we promoting the female head of the household?

Mrs. Hogan: I think a lot of women would-

Senator Hastings—throw him out more quickly?

Mrs. Hogan: Yes, why not? A lot of women, if they had some way of getting a guarantee of bringing up their children properly by themselves, would throw their old men out.

The Chairman: I have been in this welfare business for forty years and I am meeting a new kind of people, wives who would throw their husbands out.

Mrs. Hogan: I do not mean it quite like that but in some cases the circumstances are so bad that the women are only staying because of the kids.

Mrs. Havens: A lot of men would leave, too, for that matter.

Mrs. Hogan: Most of them do, anyway.

Senator Hastings: Then it would encourage, the family breakdown, even more?

Miss Briscoe: I think you are really treading on very touchy ground. That would be a very low type.

Mrs. Menzias: Economic matters often are the route cause of the family breaking up. It is because of the economic pressures. If that family had enough financial resources to raise their children, to give them the things that they need, without the incentives that Mrs. Havens is so concerned about, it would keep the families together.

The Chairman: Of course it would.

Mrs. Menzias: This came out loud and clear in the credit hearings in the United States.

The Chairman: Yes.

Senator McGrand: The poor in the large cities are confronted with the problem of shopping, a long distance away from shopping centres and sources of food and so on. If it were possible to set up a shopping service in a certain area not convenient to these shopping centres, in poor areas, would this help? Could there not be cans of food and cheaper packaging or less expensive packaging, and Hong Kong made clothing could be put on sale? The chairman has mentioned margarine. I have observed that canned mackerel, which is equal to salmon as food, sells for about 34 cents a can, but few people buy it because they think they are buying something less nutritious than salmon—which is an awful error to make. These are things I had in mind when I suggested that perhaps the poor should be more involved in administration.

Miss Briscoe: I think you will find that the poor people are involved in the administration. They are setting up clubs in the area and are doing in fact the very thing you described in those areas where they are not served by shopping centres.

Senator McGrand: Are they encouraged to do it?

Miss Briscoe: Yes.

The Chairman: Winnipeg has a good record in that respect, Senator McGrand, it is one of the best ones.

Senator Fergusson: Your 15th recommendation is that greater employment opportunities for youth are essential and that ways of involving young people productively in the labour force should be developed. Do you think that being amongst the poor people causes many teenagers to drop out of school and therefore lose the chance of developing as they might? I got this idea through reading your brief, but we have asked the question of a number of other people and they had said this is not true. I would like to get your opinion?

Mrs. Hogan: There was an article in a paper not long ago, in regard to some hearings down south, about a woman who was on welfare and her teenage daughter went out to work and earned around \$200. So they sliced \$80 off the mother's budget because that child earned that money. This is not fair. The child complained about this, having gone out and earned money and now the mother was short. That child then did not have the money needed for the child's own wants. The mother needed it in the budget. This is something that happens, that whatever the child earns is automatically included in the family budget. Consequently the child is not making any money and in this particular instance the child was in fact very angry and frustrated and was picked up by the juvenile authorities for theft.

Senator Fergusson: This has happened, too, but it is not really the problem I had in mind. I was thinking of school dropouts and of many teenage children dropping out of school when they could very well have continued their education—because of poverty.

Mrs. Havens: I have three teenagers and they all work after school. I think it depends on the education that is given at home. They have seen that my lack of education—I had only Grade 9 so I was not able to get jobs I would have liked, through poor health being unable to finish my grades—it has given them the incentive to keep on going because they realize how necessary it is. I have a great respect for education of any kind. They certainly take that

from me and they want to continue. They want to continue and they are working after school. What we have come across-though it does not occur now, as they are not earning enough, but we have talked about it—is that as soon as they have earned enough, the amount they earn will be taken off my tax deduction. As a familyand I say as a family because we have discussed this together-we feel kind of sorry, because it is only then, after my struggle, that I will have been able to buy a few things. We still have not got a car, and we never had. I will be dropped again because there will be no tax deductions and I will be paying such a higher tax, but, gee, I feel that I work so hard that I would like to see that they can earn more before they are taken off as dependants. After all, they will be paying for courses. One is going to go to university, with all the expenses that that implies, and his fee is deductible on his income, but what is that going to do for me? I am still going to be supporting the child, even though he will be earning money. And it is surprising how much they can earn, because they are working real hard.

Miss Briscoe: Although she is not here today, there was a lady sitting on this group who very much stressed the points concerning employment and education opportunities. In her family they found that they had a multitude of problems and were not able to provide their children with educational opportunities because the children had to go to work sooner than usual in order to help the family. As a result the children lost contact with the education system.

My point is that that sort of thing happens frequently, although you may not hear about the actual incidents.

I think Marie, in her story, wrote about the difficulty that poor families have in getting into the bursary system and getting into the subsidized educational programs which help pay tuition costs and that sort of thing.

I have worked with kids who have literally been self-supporting; they have not had access to the Government programs such as the ten-months training courses and the like; and I have found that I have had to go through the health department in order to get special grants — for mental health reasons, for example. So quite often education is a tremendously complex and unreachable goal, and a great many poor families just do not make it.

Mrs. Menzias: There is another point that should be raised with regard to opportunities for employment. My husband and I are professional people. When our children are entering the job market we will say to a friend, "You know, Rebecca wants a summer job", and, if the friend has an opening in his office or something like that, he will say that there is an opportunity for our child. But many people who are in the low-income brackets do not have that sort of influence. They do not have friends who can provide jobs for their children. That is very serious because, you know, it just means that those who have the opportunity and those who have not have to do without again.

The Chairman: Mrs. Menzias, nothing has changed. It has always been that way; it would seem to be a matter of contacts. That is one of the reasons this committee keeps harping on education, on getting people educated, because at least then they have a chance. That is also why you are being asked so many questions.

Senator Fergusson: Mr. Chairman, one of the witnesses mentioned something very important: the feeling in the home that will give the child the incentive. I think we all realize how important that is, but there are thousands of mothers and fathers who do not recognize that fact. How can we make them see it?

Miss Briscoe: The key word is isolation. Poor families are isolated. They really are. What we stress time and time again in the brief is that we must give them contacts. We must try to get a little more closeness in communities so that the poor family or disadvantaged family or low-income family, whatever the cliché words are, can see, can learn, and can experience things that give such families the necessary contacts and give them the information they need

Even in our group it was fascinating to see that in our discussions various of us found that there were resources we had never heard of before. This is the result of the contact among ten or twelve people drawn together immediately in a group. We found that frequently we sat there and said, "Gosh! We didn't know that before."

It is that kind of communication which has to be started, has to be initiated and built upon. Also, one again, there must be subsidized programs, support programs.

Mrs. Havens: I should like to see the poor people brought in with the other people, rather than always being lumped together and rotating in their own poor thoughts. What took me out of the whole thing was when I went to university and rubbed shoulders with the people who had money and found out that they had problems I did not want. I came home much richer because I knew I had something here. Let us get it working for us.

**Senator Carter:** Mr. Chairman, I found the case history most interesting, and I believe it will be a significant contribution to the committee.

When I read about the struggle to maintain dignity; the struggle to build up a credit rating in the bank; the moving from one area of the city to another in order to be able to obtain for the children the type of education that was necessary and that they wanted and that could not be obtained under the public school system; when I read these things, the question that came to my mind was how many people would do that. Are we dealing with an average family or with just a very superior group, say, the top 5 or 10 per cent of the group that we are trying to consider?

Mrs. Havens: I believe you are referring to my story, Senator. I recognize it. I think it would be more than 5 or 10 per cent who have these dreams.

**Senator Carter:** How many would persevere, though? How many would go through with it?

Mrs. Havens: Some have not the inner strength to persevere. In their cases just a little bit of help would do it. If they are too alone they have not the strength; and when I say "alone", I mean that isolation comes into play. Even two or three families together will be enough to help push that through. But if a family is isolated it has a harder time.

For example, if a family is not on welfare and then has to go on welfare, because of a family breakdown such as mine, it will have to move. We moved. This takes the family out of contact even with its friends. They will lose friends and so on. It puts them into another segment of society completely so that the family is alone. In those circumstances you just have to have internal stamina.

Senator Carter: You mentioned going to evening classes at which you rubbed shoulders with university people and found that they had problems, too, some of which were worse than your problems. You also referred to some special course that you took at university, but you did not say what that course was.

Mrs. Havens: That course was "the Family in Modern Society". The course was concerned with how to cope with the family in modern society and it tried to define what the family was in the modern society of today; how complex it was and so on.

My children were just entering the teenage group at that time and I thought the course was marvellous.

You know, those who are in the low-income bracket do not have access to books. You just cannot buy them. Perhaps you can go to the library, but you cannot always get the books there. So I learned many things from that course that I could have learned in no other way. It is not from television that you are going to find out how to relate with teenagers and with the people surrounding you and so on, and to have at least a good personal relationship in the home so that you can further expand yourself. But that is the course I received.

Senator Carter: I may sound like Gordon Sinclair now, but why were you so anxious to get a credit rating? Was it to get a credit card at Eaton's? If I recall, you could not get a charge account at Eaton's.

Mrs. Havens: Just before we start talking about credit cards, I notice that you are changing the subject from education, and I should like to point out that apart from credit cards I was at one point talking about credits that might be attached to courses that people like me take. There have been many courses that I have taken but they involve no credits at all. Those courses have helped me to live and have helped my family to live but I could not get a job on the basis of those courses, because there were no credits attached to them. There was nothing I could claim for them. They were just courses which I had to pay for in order to take, but in order to be a social worker today I would have to start all over again by repeating grade 9, grade 10, grade 11 and 12 and so on. But, personally, I do not believe I have to do that; not myself. I have got it.

The Chairman: By self-improvement, yes.

Mrs. Havens: I had to pay for those courses, but I cannot even deduct them.

Mrs. Hogan: After I had my shoulder operation I had to go back to school because I could not use my hand. I applied first for a business management course which was a two-year course. Manpower only allows for one year, but I went back to my provincial welfare worker and she said they would pay my maintenance for two years. All that Manpower had to pay was the tuition; not the living allowance and that type of thing, but just the tuition for two years, and the welfare would have kept me on their books, but they could not do it. It was an impossibility as between the two departments.

Senator Carter: My next question has to deal with your credit at Eaton's. Apparently you could not get it even though you were independent. Then apparently you succeeded in building up credit with the bank.

[Text]

Mrs. Havens: No, with the Caisse Populaire which is a credit union for the poor.

Senator Carter: What was the psychological impetus? What was your motive?

Mrs. Havens: I had lived several years with very bad credit. While I lived with my husband our credit was extremely bad. That is while I was still on welfare. I would point out that credit is a form of security that all of you enjoy and take for granted. You can go somewhere and it is enough for you to say "I am Mr. Cook" or "I am Mr. Carter" and you will get credit. But that is something that we do not have. You would be surprised, when you do not have that power at all, how insecure you feel. I buy certain things for the children, and by that I do not mean material things because I am not that type of person at all.

Senator Carter: That is what I am trying to get at — the fact that it gives you a sense of security.

Mrs. Havens: I wanted my credit to be good so that when an emergency should arise, I would have it. So I built it up as I have already explained. The Prudential Insurance Company — and I may mention the name — refused me insurance for five years but I bugged them to insure me. They did not want to do this because they thought I was not a good prospect. But, I finally won out.

Senator Carter: Good for you. Now there are two other questions I want to ask. One concerns a matter brought up in the brief, which I may have misunderstood, but which apparently gives the impression that you cannot get welfare unless you have a legal separation. In other words, you can be separated from your husband, but unless it is a legal separation, you cannot get welfare.

Mrs. Havens: I must admit that when this happened it was so. But the lawyer who dealt with the case thought this was terrible. And this is where those of you who are lawyers can do something on your own. When this lawyer handled my case, he thought it was very sad because the breakup was for psychiatric reasons. We went back to the lawyer and we were hand in hand because we were still in love. But we had to get a legal separation for me to get support. The lawyer thought this was so sad and only three years later was he able to help to put that provincial law aside. It is not the law now. But it is because this one man could see how pitiful the situation was.

Senator Carter: My last question has to do with attitudes. You draw a distinction in your brief as to the attitudes you meet with from the departments and the officials who deal with welfare and the attitude of the Family Bureau. Apparently the approach of the Family Bureau is totally different from that of the welfare department.

Mrs. Richards: If I may answer this. I was on assistance for approximately a year in 1967. Then they had job opportunities for family visitors taking girls off welfare and getting them to work and have contact with welfare people. The difference in treatment that I got! "You are nothing; you are nobody; you are a kind of a dog!" But then when I started to work for them, it changed completely. There is a difference even in supplementation welfare recipients, you know, where there might be ten children but the father is working. They treat them differently, because they are working, from the people who are completely on assistance.

Senator Carter: Is this a fairly general complaint?

Mrs. Richards: Yes. Up until a year ago it was always the question of the clerks. People would come in to the Department and put their cards in a box and then they would be called on a first-come first-served basis. Approximately a year ago they put a girl in my same capacity on the counter service and the people themselves say that they get much better service. At least the girl gets up there and smiles at them and treats them like a human being.

Miss Briscoe: Further to the question regarding legal separation, although it is not a requirement to have a legal separation before you get welfare, you find that very soon after you are on the rolls pressure is exerted to make you get a legal separation. So there is a certain kind of duress on a sole-support mother.

The Chairman: No. What they say is "Charge the husband to try to get support from him" and the wife says "I am not going to charge my husband and break up the family." So then they say "Well, get a legal separation." It is something like that. But really they do not press it any further than that. The purpose is to try to obtain some money from the husband to support the family.

Miss Briscoe: There is a certain degree of pressure brought to bear that is not generally talked about. This is an experience we come across generally.

The Chairman: Well, if that is the case, it is quite improper. It may be the attitude of some individual person, but it is not recognized as being proper.

Mrs. Havens: That is why I am afraid of the guaranteed income because we may lose again that certain dignity that the welfare recipient loses. I had been off welfare for a long time when I went along to apply for legal aid and then once again I was a pastry number. Having been off legal aid for some time, I had not had this kind of treatment and suddenly I was brought right back to where I had started. I said to myself, "My goodness, it has not really changed that much."

The Chairman: Madam, the guaranteed income is not for welfare recipients alone; it is for people. It is for me too, if I qualify. I do not lose anything at all; I gain. Every man has the right to qualify. Here perhaps I should tell you that there are 1.6 million people who qualify for old-age security, and 800,000 of those qualify for the supplement to some extent. Twenty per cent of that qualify for the full supplement, and yet they all get the old-age security. There are people who receive the family allowance and people who receive unemployment insurance, and out of the people who receive welfare, there are 1.2 million people in Canada who receive subsistance welfare. And 30 to 35 per cent of those are on long-term assistance and have been getting the family allowance for many years. The only things they are not getting are services and counselling. What we are trying to do is to give them something more than that. We are thinking of it anyway. So you will not lose any dignity today. No more questions?

Thank you, ladies, for coming to see us. It was nice to see you and you added a nice touch when you brought bilingualism here. We were not expecting it and so perhaps we were not completely prepared for it. The Winnipeg people have had the ability to deal with problems of this sort in a most unusual and able way. We

usually receive a good representation from Winnipeg. This is a careful, intelligent, experienced and knowledgeable brief. It is very useful for people to read as a reference and as a case history, and to that extent we are very thankful.

But the important problem today is the fact that we were discussing the working poor. We really did not discuss welfare, but the working poor, and that is the real problem in the country. The minimum wage now, in many instances, is insufficient to meet minimum needs, that is the big problem. That is what we have to deal with, and we are glad you have discussed it with us. We have had many suggestions as to what our recommendations will be. We will be concluding our hearings soon and considering this matter. For your contribution this morning, on behalf of the committee I thank you very much.

Mrs. Menzias: Thank you very much, Senator Croll and honourable senators.

The Chairman: We have with us now the representatives of The Manitoba Association of Social Workers. On my immediate right is Mr. Clark Brownlee, the Chairman of the Social Action Committee of the Association, and Supervisor at the Family Bureau of Greater Winnipeg. Next to him is Mr. Vern Gray, the Chairman of the subcommittee on Poverty, and Group Work Supervisor at the Society for Crippled Children and Adults of Manitoba. They will make short statements and then subject themselves to questions.

MR. VERN GRAY, CHAIRMAN, SUB-COMMITTEE ON POVERTY OF THE MANITOBA ASSOCIATION OF SOCIAL WORKERS: My colleague and I are pleased to have this opportunity to appear before you. We would like to use the time available to re-emphasize the philosophy and recommendations of the brief presented by our association.

I would like to quote from the brief, that in 1965 the Speech from the Throne stated, "All the great potentialities of our economy are not, however, being realized. The talents of some of our people are wasted because of poverty, illness, inadequate education and training, inequalities in opportunities for work. To combat these, to improve the opportunities of people who are now at a disadvantage, is to put new power in our economic expansion and to enhance the unity of our country. My government is therefore developing a program "for the full utilization of our human resources and the elimination of poverty among our people." That was in 1965.

Our contention was in this brief that the people of Canada and the Government had not been able to realize the goals which had been set out in 1965, and we gave seven examples of this. The first was the fact that is well known now, that one out of five Canadians exist on an income which restricts him to a bare subsistence level. The second was that a minimum income of \$3,500 for a family of four was established by the Economic Council of Canada. In spite of this the welfare rate in Winnipeg, and I am sure across Canada, is substantially lower than this.

Third, the minimum wage in Manitoba — and this was referred to earlier in the proceedings today — is now \$1.50, and it was \$1.35 at this time, which makes it more profitable for a man with a wife and two children to go on welfare.

Fourth, using the very low figure of \$3,000, we find that 42 per cent of Manitobans who filed income tax forms for 1968, received incomes below \$3,000. For Canada as a whole, 70 per cent of the population earn less than \$5,000.

The fifth point was on inflation which has increased at the rate of 6 per cent per year, and which has damaged the poor considerably more than other elements of the population.

Sixth, that public assistance plans, whether federal or provincial often exclude the working poor. There has been a great deal of mention made of this point this morning.

Seventh, despite what we say about the values of education the poor often get the worst schools and the most inadequate staff. Many teachers have middle-class attitudes and expectations, including contempt for the poor. New schools are seldom built in core areas. The number of poor who reach university is negligible. Yet we wonder whose failure this really is.

You will recall that the first part of the brief referred to the relatively poor showing which Canada has made in the so-called war on poverty. The Speech from the Throne in 1965 spelled out a program which all of us hoped would by this time have begun to make some impression upon the massive problem of poverty. Instead we find ourselves five years later with exactly the same amount of poverty, but with a great deal less hope that it can be eradicated using the essentially reformist proposals made at that time.

In our brief we ask: Do Canadians really want to end poverty? Obviously, a substantial number of those who already possess wealth have no intention whatsoever of parting with even the smallest part of it. The response by businessmen to the White Paper on Taxation is based entirely on individual and corporate greed under the guise of incentives. The federal Government has given only scant leadership in the elimination of poverty. The most recent examples of this is the Speech from the Throne of last week which devotes less than one sentence to this problem, and I confess it was pretty difficult to find even that. I refer here to the sentence:

Parliament will be invited to examine in this session a number of white papers in such diverse fields as communications, citizenship, immigration, national defence and income security policy.

We have really not come very far since 1965 when the Government was prepared at least to recognize that a problem existed, and to outline a program to deal with it.

A substantial amount of that program has been implemented since then, and we shall have to take further steps now, but the Speech from the Throne does not indicate what those steps might be.

The brief presented by the Manitoba Association of Social Workers also made reference to the present federal Government's policy of fighting inflation through cut-backs in new construction, and staff reduction in the civil service. This policy has been eminently successful, as we see in the number of housing starts and other indices of economic recession. We quote the Prime Minister as saying that he would be prepared to accept a rise of unemployment to the level of 6 per cent. We have now gone beyond that level. The inflationary trend has lessened somewhat, but continues to climb. This is not much consolation to those who are out of a job.

The Chairman of the Special Committee of the Senate on Poverty quoted the Unemployment Act as stating that unemployment of 4 per cent would be a tolerable figure. Senator Croll went on to say:

[Text] "We always thought of it as 2 per cent". So now we have over 6 per

cent across the country, and this means something over 12 per cent in Ouebec and 8 per cent in the Maritimes.

We are sure that the implications of these figures have not been lost on the members of this committee. Unemployment can be the first step on the road to poverty. It is always those with the least training and the least skill who are affected first, and who are hit the hardest by unemployment. Many of the working poor will join the ranks of the welfare poor, as we have begun to see in Winnipeg.

Again, the Speech from the Throne recognizes that "unemployments remains distressingly high in some parts of Canada, although the rate has not increased in recent months". It is difficult to see how "the vitaility of the economy coupled with energetic government policies" is going to alter this desperate situation. Unfortunately, the only program proposed is a fervent hope that the economy will recover sufficiently to overcome the problem.

I recognize that in the Speech from the Throne there was some reference to an increase in the unemployment insurance, but we are talking about curing the problem of unemployment.

Our contention then is that the situation has worsened since this committee began to study the problem of poverty. We now have double the percentage of unemployed persons which economists consider to be a safe figure—that is, 3 per cent of the labour force.

We congratulate the members of the Special Committee of the Senate on Poverty for the thorough manner in which they have investigated the problem of poverty. We further commend them for making themselves open and available to hear the problems of the poor from the poor themselves. I feel that the presentation that was made this morning was an excellent example of this.

Despite this progress we are even less hopeful than a year ago that anything more than an ameliorative program will be undertaken as a result of these investigations. Our pessimism is based upon an analysis of the prevailing antagonism of power groups, and the public in general, towards the kind of comprehensive program which could eradicate poverty once and for all. This is something we would all like to see, but will we see it?

I should like now to ask my colleague, Mr. Brownlee, to continue summarizing our brief, and to outline some of the proposals that our association is prepared to make, and which we hope will be some contribution towards the total picture.

Mr. Clark Brownlee, Chairman, Social Action Committee. Manitoba Association of Social Workers: I will just go through some of the major points that we make in our brief. I do not want to spend too much time on them, but they may interest you. You may have other questions that you want to put to us.

The first point we make, which we wish to emphasize, is that we consider it essential that the federal Government take a strong role in any program which is implemented. Secondly, we need to establish the concept and really get hold of it, but we can no longer equate family income to the wages earned by the breadwinner. In other words, we have to realize that for many families the wages of the wage earner are not sufficient and we have to accept that there will have to be direct allowances to the family to supplement incomes.

We suggest on page 10 that there are two areas of attention and thus two policy groups that must be considered if we are to eliminate poverty. The first of these areas we have entitled "The Productive Economy." Here we refer to measures designed to utilize the technological advances and the unused human resources which we have at our disposal so as to ensure maximum production of needed goods and services.

The second area is the distribution or, perhaps more correctly, the redistribution of these goods and services. Under the first point, relating to the productive economy, certain social utilities are needed which would be necessary to any guaranteed income. There are in the nature of the subjects discussed this morning, that cash is not sufficient. There are many utilities such as home care and day care which come obviously to mind. These are listed at page 11 of our brief and include adequate housing at a rent people can afford, day care facilities for young children, care and housing for the aged, pre-school programs, recreational services, upgrading and vocational training, and homemaker and home nursing services both for families and invalid or aged individuals. We see this as the first step towards any guaranteed income, because no matter what the income of a family is, if it is around the poverty line they certainly cannot purchase adequate housing because there is no adequate housing stock in Canada for them to purchase.

First and basic, affecting a large group of people, would be the provision of these social utilities in more adequate supply than at present. We feel that in the area of human resources to staff and implement these utilities, plus the offering of many of the existing services, the human resources are certainly available. There are more educated people in the fields of social welfare than before, ever The technical colleges are turning out more people than ever and actually there is a surplus of manpower in this field. However, the disturbing feature is that there are not openings for their employment. We do not feel that we have begun to tap the need in this area. We have people with training and we have not even begun to look at the programs that the welfare department in Winnipeg have commenced, where they are employing indigenous people who have a much greater contribution to make in certain areas than many of we professionals. Yet there are not sufficient openings for them and we do not think the present system is expanding sufficiently to make them available in the fields in which they are needed.

Recently I was speaking with a worker at the Children's Aid Society in Winnipeg, who said their intake department is under extreme pressure now. They almost hate to take new cases because they know that people are so overworked that they are unable to give adequate service. The problems are so great; people are coming in for help, yet there is not enough manpower to handle it.

The Chairman: There is enough manpower to handle it, but it is not being utilized.

Mr. Brownlee: There are not enough openings.

The Chairman: The magazine that I see carries pages and pages of ads for people such as you. It is the same magazine you see, asking for social workers for crippled children, for this and that, constantly advertising jobs that they cannot fill.

Mr. Brownlee: This is fine, because it is taken across the whole country. Maybe out of one agency there would be one opening for one supervisor. Meanwhile that supervisor has six case workers with 150 cases; there are openings, but there are not enough.

The Chairman: Let us face a few truths here. We have been across the country and the complaint that we have had, and we are not joining in it, is that there is a lack of confidence in the social worker on the part of the welfare people. The result is that the social worker has become almost a clerk. He has a caseload that is impossible to handle, 100 or 200 people. He can only keep writing, look up, say what is your name and carry on writing. There is no social work being done in the sense of social work and services.

Mr. Brownlee: That is in the welfare and public assistance field.

The Chairman: Yes, in the others, of course, it is a different story. They do get a chance to operate within their own fields with respect to crippled children, mental and other fields.

We have also heard from almost everyone that not only money, but services, are essential. You are the people who could deliver the services. Now it is up to you to show us how to do it. We have already had a brief from your national organization.

Mr. Brownlee: I am not quite sure I understand, because we could probably take a good crack at implementing the services if they were made available, but we cannot fund them.

The Chairman: No, you do not have to fund anything.

**Senator Hastings:** But have you not just said that you do not have the manpower right now to deliver the services?

Mr. Brownlee: There probably is manpower available.

**Senator Hastings:** But it is not being utilized in the delivery of these services; is that not what you told us?

Mr. Brownlee: I am saying that with a tight money policy there are not job openings.

Senator Hastings: Therefore we are not utilizing the manpower that is available to deliver these services.

Mr. Brownlee: But I am not referring to trained social workers.

Senator Hastings: No, manpower, anyone; I can deliver it.

Mr. Brownlee: Part 2 deals with the need for social utilities and the more effective utilization of our manpower. Once we have achieved this, how do we distribute these services and goods and how do we redistribute the income of the nation so that we can provide cash to the people who need it, because we are now referring to eash.

We feel that wages have to be combined with some form of direct social allowance in many cases. We have to accept that as a right, because not everyone can work or earn enough to live on. Wages do not take into account the size or special needs of the family.

This brings us to our section on guaranteed income. I will speak to a few of our assumptions and beliefs in this respect and maybe you will wish to question us.

Senator Hastings: I think probably someone will have a question.

Mr. Brownlee: Probably. As I mentioned, we see a part of the guaranteed income as the guarantee of adequate services and utilities, which has been said many times. The other part is money. I think it is necessary, and you have already mentioned this, to establish some kind of a poverty line. However, I think that the crux of the whole matter is around this poverty line. Where are you going to establish it? What is adequate? Is it going to be flexible and have meaning four years after it is implemented and be capable of shifting with the standard of living and the economy?

The Chairman: No one seems to pay attention to our minutes.

Mr. Brownlee: That is a full time job.

The Chairman: But you ought to catch enough out of it. We have said that anything we can do in the poverty line will have two anchors, the increased cost of living and the gross national product. Can you anchor it any better than that?

Mr. Brownlee: I am reassured to hear that; I am sorry I did not note it.

The Chairman: We also said that we are considering recommending a social council in the same form as the economic council to keep it under review. However, you are a social worker, you ought to appreciate what we are saying.

Mr. Brownlee: Well -

The Chairman: Go ahead. You are doing all right.

Mr. Brownlee: Again we see the need for any guaranteed annual income to be centrally administered. You have probably said this as well.

The Chairman: We have said that too.

**Mr. Brownlee:** I am not saying you have not said this. I am merely re-stating these things.

In terms of whether it is a negative income tax or a demogrant system we are not prepared to say, but we do believe there should be some overall fiscal policy which sees as an interlocking continuance direct social allowance to those who fall below an established poverty line, tax exemptions for those who come at or around the poverty line and up to some predetermined level above it, and then a pretty progressively steep taxation for those who fall in the higher wage brackets.

If there is any fear remaining that such a system would take away incentives to work, I think we can only offer our own feelings that many people work, not because they have to but because they want to, and if they were able to survive without constant fear of bankruptcy they would probably work more productively and in a happier kind of work. There might be those who would feel the guaranteed annual income would take away their incentive to work. I think this is probably a minority and something we have to live with. Possibly the kind of work they are doing would not be that productive for themselves or the economy either.

With rising unemployment, fewer and fewer people will be able to work, especially in the jobs that require lower training, and not just those highly trained people today who cannot find work they have been trained for anyway. I think of the programs of some of

the technical schools, which are turning out graduates who cannot find employment on the market for the things they are trained for, so we are faced with an unemployment problem anyway. Also, the guaranteed annual income certainly would not stop anyone from earning more if they could earn more, but there is no stop on incentive there.

Possibly the crux of what we are saying is: how much do we really want this to happen? What do our values say about these kinds of drastic changes in our social structure? Do we still feel that people have to deserve to get these things, or should they come as a right? I am encouraged to hear you say this morning that you feel they should be a right. I have picked that up from other comments you have made. I have read a few of the minutes

We would like to see the Government take a more aggressive role in doing some public relations around this, getting at the attitudes and values of the public in terms of what they feel about how we could look after our population in a better way. They can advertise and publicize other programs, such as unemployment insurance benefits and create attitudinal changes in society in this way, and I do not see why they could not do the same thing in terms of the necessary implementation of tax reforms, which would have to come if we are to finance such a proposition as a guaranteed annual income.

We have seen the guaranteed annual income as a long range objective. I am afraid, to me anyway, it looks like a very long term objective. I would like to see it a lot sooner than I am afraid it will come at an adequate level. I certainly would not want to see the kind of scheme that was implemented in the United States, where the level was established at such a low level, at \$1,600 I think for a family of four. That is not the point we are trying to make here.

The Chairman: No, that is not right.

Mr. Brownlee: Am I wrong in my thinking?

The Chairman: You are wrong in your figures. It is \$1,600 plus \$840, which is \$2,440. You will remember the food allowance they gave. It is \$2,440 together for a family of four. As a matter of fact, that \$2,440 will cover 70 per cent of the United States, providing more than they are getting at the present time. It does not cover New York, and it does not cover the middle east. It covers the total south and the total west. They are all getting less than that now.

Mr. Brownlee: I still think it has a lot of drawbacks.

The Chairman: You mean the amount?

Mr. Brownlee: Yes.

The Chairman: Yes, surely, but it is not without thought. They gave it a lot of thought and they have some reason for it. It does not apply to us.

Mr. Brownlee: In terms of short range objectives, we would see as a prime one increasing family allowances to a more reasonable level than they are at present. In fact, some members of our association have voiced the view that the whole guaranteed annual income could be based on a substantial increase in family allowance and cover the people who do not get family allowances by other forms,

such as old age security and disability pensions, a demogrant kind of system. Give it out to all families and tax it back from those who do not require it. It would be a very efficient system. It might have some merit, and I am sure you have thought about it.

The Chairman: Why should you have to have half a dozen programs, as you suggest, instead of having one program? As Mrs. Hogan said: "Get it all together so I don't have to go to 17 offices to get what I need."

Mr. Brownlee: This is my feeling as well, that all these programs could be pulled into one program and done a lot better.

The Chairman: We have been saying that too.

Mr. Brownlee: We have been talking here about universal programs. We feel that these universal programs are absolutely necessary and have to be complemented with special programs geared to the special needs of families who have suffered the effects of long term social, emotional, cultural and economic deprivation. I do not know whether I need to elaborate on that any more than just saying it.

It seems to me quite obvious that simply giving money to a family that has never had money and is suffering from all the other ill effects of their condition in life will not be sufficient. I heard somewhere that it took about two generations of families living in public housing in Great Britain before they finally began to feel comfortable in this housing, began to look after it, began to feel they were really part of the community. Maybe we have to go through a couple of generations of providing this kind of assistance to people before they are going to feel they are part of their community, that they can handle their lives and their finances in a way that does not require these special helps.

Our profession has spent a lot of time working with families in extremely deprived conditions and I believe that we do have some knowledge. We do not have all the answers in this field, which is a very difficult one, but we are prepared to continue working in these areas. The benefits of a guaranteed annual income would be so great that I do not think we know what the special needs of the particularly deprived families would be until we have provided them with the income. Then we would find out just how much more was needed after that in terms of special counselling, education, group programs or whatever it would take.

Our brief goes on to support the citizen's participation in welfare rights groups and the tenants' association that have sprung up in our city and in our province. We are particularly happy about this; we have taken some active part in assisting these groups in the past and will continue to do so.

We have some comments about the Canada Assistance Plan on page 21 and I will just review them. Although it was and still is pretty terrific legislation, if it had been implemented in its totality I do not think we would have to be here today. I don't think when it was devised as an open end program requiring the co-operation of two and three levels of government that it was ever expected that it would be used to the full extent that it could be, therefore, I think it has fallen short. We had examples pointed out in an earlier submission where the services had to be cut back because there was not the money to fund them.

We believe that the cost-sharing agreement could be made somewhat more equitable so that the provinces with less money to match federal funds, who really need the services more, would get them. As it is, our understanding is that the provinces with the money to put into the social services are getting most of the federal help. Again, we see the need of the federal Government to maintain and continue these agreements, but also to improve its cost-sharing agreements in these areas.

At this point I will turn it back to Mr. Gray who is going to handle our section on tax reform, which we see as a basis for financing some of these programs which are going to be pretty expensive.

The Chairman: Do you want to get into that now?

Mr. Gray: I am only going to review what is in the brief. Of course, the vital question is how are all of these programs going to be funded? Within our democratic growing context, tax reform seems to be the only method which can be used to get the amount of money required. We would therefore support the following concept:

- (1) An emphasis on broadened taxation on income and wealth. This would include corporate as well as private income and wealth.
- (2) Such a program would include a tax rate structure which is progressive, particularly in the area of corporate wealth. This would provide resources for investment in regional development as envisaged in the Speech from the Throne of 1965 mentioned previously.
- (3) We endorse the feature of the government White Paper which reduces taxes for low income groups. However, this provides for a saving of only \$2.50 a week for a family with an income of \$4,000.00 per year. This does not go very far on the weekly grocery bill. The principle should be extended to provide total exemption from income tax for those with incomes below the poverty level (as defined by the Economic Council of Canada).

I would like to add that 40 per cent of Government revenue fund from income taxes is derived from those with incomes less than \$5,000 a year. That is a quotation from Edgar Benson.

The brief continues:

To put this another way it is grossly unfair to tax a person who is already living below the subsistence level.

- (4) We further endorse the principle embodied in the White Paper which would treat capital gains as taxable income.
- (5) We commend the intent of the White Paper to close tax loopholes which are available to the wealthy, and also to eliminate overly liberal provisions for expense account deductions.
- (6) We commend the new deductions proposed to benefit wage earners and working mothers.

You have heard from the previous submission that is not always beneficial.

(7) We further recommend the progressive removal or reduction of those taxes which place the heaviest burden on the low income groups particularly property taxes and sales taxes imposed by the various levels of government.

(8) We recommend the removal of such practices as tax holidays and massive loans to private corporations. These should be replaced by public investment in such companies or corporations but not to exceed a percentage which would remove the control from private hands.

The Chairman: Doesn't that last one kind of apply to Manitoba?

Mr. Gray: That is where we got the idea.

The Chairman: I have just one question. When you finished your statement, Mr. Gray, I copied down these words: the kind of comprehensive program that would eliminate poverty once and for all. What have you got in mind?

Mr. Gray: I think we would have to start with the things that are in our brief. This is from our point of view. No one would be permitted to live below an adequate level. This would have to be determined by more than just food, clothing and shelter. This was why we thought the guaranteed annual income was the basic program which had to be instituted. I also think we have seen, through all of these hearings and this morning, the need for a great number of services.

Our country's greatest wealth is its citizens. Many of our citizens are living in pain and experiencing family problems which are practically unbearable and they are getting very little help.

One area which has scarcely been touched are those people living in small towns, in the country or in the more remote communities where services are not available. Social workers do not get to these people regularly and if they are seen once every two months it would be very unusual.

The Chairman: I know what you are talking about. We will have some questions and then I will come back to you.

Senator McGrand: My question has to do with where we will find the money for all of these needed services. You mention the White Paper on taxation. Did your group give the White Paper on taxation a rather thorough study and what damage do you think it would do to the small business, which seems to be the greatest objection to it? You must have done a lot of work on this.

Mr. Gray: I am not going to say we did a lot of work on it, but we grasped the principles of it. I understand that the amount of taxation that would be on small businesses would not be that great as to interfere with the profit margin. That was the conclusion.

Senator McGrand: I have another question which may be a little new, although the word "pollution" is not. Anyone who has followed this campaign has heard about pollution the most, but it is not perhaps the most important thing. Is it the destruction of our ecology and the disappearance of certain things which have been perhaps essential to the wellbeing of society? Can you visualize that this destruction of our ecology is going to, in a matter of years, add up to our problem of poverty?

Mr. Gray: I don't think there is any doubt about it.

**Senator McGrand:** That is what I think, but nobody seems to be putting too much emphasis on this.

Mr. Gray: I think poverty and pollution are the twin problems which go together.

Senator McGrand: And the upset of our ecology.

Mr. Gray: Obviously if we upset the ecology we are not going to have many people around to be either poor or rich. In terms of resources we are not going to have the kind this country needs to grow.

Senator Cook: That will cure the problem.

**Senator Hastings:** You said pollution and poverty are twin problems. Would you elaborate on that statement?

Mr. Gray: I think they are twin problems in that they fit into each other. Pollution is going to be damaging to the economy eventually and there will be less jobs for people.

Mr. Brownlee: It is going to take a lot of resources away from the money which could be put into the poverty programs if we have to spend the money to clean up our environment and whatever it takes to halt the pollution problem.

Senator McGrand: There has not been enough emphasis placed on ecology. I am not talking about pollution so much as I am about the changes in ecology which it leads up to.

Senator Carter: Mr. Chairman, I should like to return to the subject of Manpower. Mr. Brownlee, there are 300 members in your association.

Mr. Brownlee: Yes.

Senator Carter: Is that in the province of Manitoba only?

Mr. Brownlee: Yes.

Senator Carter: Your membership covers only the province?

Mr. Brownlee: That is right.

**Senator Carter:** Have you a national membership? Are you federated?

Mr. Brownlee: Yes. Every member of the Manitoba association is also a member of the Canadian association.

**Senator Carter:** What is the membership of the national association?

Mr. Brownlee: There are 3,500 members.

Senator Carter: For all of Canada.

Mr. Brownlee: That is right.

**Senator Carter:** What percentage of the whole body of professional workers belong to your membership in Manitoba?

Mr. Brownlee: What you are really asking is how many professionals there are who are not in the association?

Senator Carter: Yes, what is the percentage?

Mr. Brownlee: I am just guessing. I have really no figure I could give you, but there might be another 150 or 200 social workers who are not in the association.

Senator Carter: So your membership is roughly two-thirds.

Mr. Brownlee: As I said, I am just guessing.

Senator Carter: Well, let us say the total was 400 or 450. Is most of your membership employed by the government in Manitoba?

Mr. Brownlee: Most? No.

Senator Hastings: No?

Mr. Brownlee: I would doubt it.

The Chairman: They would be in private agencies for the most part; municipalities and private agencies.

Senator Hastings: Municipalities?

Senator Carter: Well, that is government.

The Chairman: Do you mean minicipal governments as well as provincial government?

**Senator Carter:** Municipal governments or provincial government. I am trying to separate out how many are in by private agencies.

Mr. Brownlee: Perhaps I could elaborate a bit. Many of the agencies, like our own agency, the Family Bureau, are simply government-sponsored. Many agencies, like the Children's Aid, are quasi-public agencies. I was not counting those in terms of public employees. I was counting them as private agency employees.

Senator Carter: How many of your 300 membership are in Winnipeg or in the Winnipeg area?

Mr. Brownlee: Most of them.

Senator Carter: In other words, you are all concentrated in one spot. Does that mean that the rest of the province has to do without?

Mr. Brownlee: The problem of our association in terms of relating to the total province is the same problem that affects all of Canada: our workers are spread out all over the place; perhaps six in The Pas, five in Thompson and so many more in Brandon. So the communication problems are very real. We are concerned about the fact that most of our membership come from within metro-Winnipeg.

Senator Carter: You are all professionals with degrees in social service work.

Mr. Brownlee: That is right.

Senator Carter: I would think 300 or 400 would be quite a lot, certainly compared with the Maritimes.

The Chairman: You say that 300 or 400 would be quite a lot for the province.

Senator Carter: That is quite a large number for the province, yes. I doubt if many provinces would have that many.

Mr. Brownlee: Are you coming back to the point we made about unused manpower?

Senator Carter: Yes.

Mr. Brownlee: Because I want to stress again that the point we were making is not with respect to professionally-trained social workers but refers to untapped potential in people who could be providing services, para-professionally or indigenously.

Senator Carter: Are you saying that the 400 members who now exist in Manitoba are not fully utilized? Or are you suggesting that they are utilized but that their services are not uniformly spread? Those are two separate problems.

Mr. Brownlee: I would say they are fully utilized, yes. Those who are there are certainly working hard.

Senator Carter: Then what is the point you are making?

Mr. Gray: The problem is that there are no new jobs opened up in most agencies that I know of. There has been a freeze on in Manitoba. In fact, I do not know if that freeze applies right across Canada, but it has been in effect in Manitoba for about three years. The trouble is that new people are being trained, particularly in welfare courses that are run by the provincial government in both Brandon and Winnipeg but many of these new people are not obtaining jobs.

Mr. Brownlee: Perhaps I could clarify if I gave an example in my own agency. The family counselling part of our agency employes nine people. There has been no staff increase in seven years, but in that seven years we have been asked to increase the boundaries of our services from greater Winnipeg to metro, which has significantly increased the number of families we service. Moreover, families that had already been using our services have become more aware of the services that are available to them and they are coming in more often.

**Senator Carter:** The need is there; the manpower is there to fill the need; but the province is not supplying the money to bring the two together.

Mr. Brownlee: We do not get our money from the province; the United Way of Winnipeg is what supplies us with the funds in this particular case.

The Chairman: Senator Carter, you will recall that at the Christopher House in Toronto we received the very same complaint from young people who had gone to Seneca College. They said they

could not get jobs. That surprised us a bit at the time. I think that is what Mr. Brownlee is talking about now. It is the same sort of thing.

**Senator Carter:** Would you agree, Mr. Brownlee, that poverty is due to lack of power on the part of certain people?

Mr. Brownlee: Yes. That would be one of the prime things.

**Senator Carter:** Would you say lack of power is due to lack of resources and lack of information?

Mr. Brownlee: Yes, I would agree with that.

**Senator Carter:** On page 7 you say that certain programs are satisfactory but that some are a failure and a mess. Could you give us more details on that? Let us take the unsatisfactory ones first. The failures and the messes. Which programs would you group in that category?

Mr. Brownlee: I think the failures and messes we are referring to are the situations that I talked about, where public assistance people are trying to handle case loads far too large, and where child welfare agencies with extremely difficult family problems are trying to handle too many cases.

Senator Hastings: Is it the program or is it the administration?

Mr. Brownlee: It could be both.

Senator Carter: You are talking about how the program is administered, but that is a different thing from the program itself. I want to get at the program itself. I want to get at the failures in the program itself, not the failures in administering the program. Those are different things.

Mr. Brownlee: Putting it bluntly, we feel as an association that the public assistance, the way it is handled on the municipal level and also on the provincial level is in need of complete replacement along the lines we have suggested here.

**The Chairman:** In other words, Mr. Brownlee, in nicer words, you are saying that it is a mess.

Mr. Brownlee: It is a mess.

Senator Carter: Tell us why it is a mess. That is what I want to get at.

Senator McGrand: What would you put in its place? That is more important.

**Senator Carter:** No, let us get why it is a mess first, and then we can find out what should be put in its place.

Mr. Brownlee: Every family has to come in individually and establish its need. It has to go through a whole process which we do not feel is necessary.

**Senator McGrand:** Why not? Do you think a person should just be able to walk in and say he is hard up and needs money?

Mr. Brownlee: I do not think people should have to walk in at all. The things we are envisaging here is some kind of negative income tax where people only have to fill out their income tax forms and send them into Ottawa.

Senator McGrand: But that is not the answer. These people can still throw away that income and still need these services. They do have checks.

Senator Carter: But that is still not my question, Mr. Chairman; he has gone into the administration again, and I am not interested in the administration. It may be administrative work, but let us get at the flaws in the program itself. We can take care of the administration failures later, but let us get at the nature of the program and see where the defects are there.

Mr. Brownlee: I thought that is what you were talking about.

Senator Carter: No. You were talking about the way the program was administered.

The Chairman: What is wrong basically with our public assistance? Does it lack in quantity? Does it lack in quality? Does it perpetuate poverty? Does it build generations of poverty? What are the things it has done that you can see? Both of you may like the opportunity to answer this question.

Mr. Brownlee: Well, it certainly lacks in quantity.

The Chairman: You just go ahead and make it your answer. I gave you a type of answer and some suggestions that you might make use of. But you must make your own answer.

Mr. Gray: I think, to begin with, we have to look at some of the reasons why people got themselves into difficulty in the first place. In many of these situations something has happened that they did not have any control over, but it is assumed when they go to apply for assistance that it was all their own fault. They are made to fill out a number of forms; inquiries and investigations are made into their personal lives and so on. These are demeaning, to begin with, because we are reducing their dignity. Now I am sure this was not the intention of the programs in the first place, but they lend themselves to that kind of misuse by the personnel doing the job.

Senator Cook: But what is the alternative to this investigation?

Mr. Brownlee: A universal program.

**Senator Cook:** But even when you pay income tax, do you not realize that you are investigated and your form is looked at and it is talked about?

Mr. Brownlee: Yes, but the attitude of the person doing the investigation is very different. This is a situation that it is very hard to get around. If you were investigated in connection with your income tax, in no way would it compare to the way a person is investigated if he is suspected of something when applying for welfare.

Senator McGrand: If you get into problems concerning your income tax and have to face some of their investigators, you might change your mind. I am not implying that I have got into such difficulties.

Senator Carter: Mr. Chairman, I thought I had given them the lead for the answer when I asked the earlier question concerning lack of information and lack of resources. Where is the present program failing to provide the information and resources that these people need? Where is it failing to provide a system whereby they can get the power to work out the solutions to their own problems and acquire ordinary human dignity and a decent human existence? Where are they falling down in these categories?

Mr. Brownlee: Well, these programs are administered to people, and people have very little to say until they start recognizing their own welfare rights through welfare right movements. Then they may get some action. They may speak to the Minister of Welfare about certain policies and get some action in that regard. This is good as far as it goes.

Senator Carter: Well, I am still not clear from anything that you have said as to where lies the fault of the program and what is the fault of the person or persons administering the program. Let us take the one you say is satisfactory, the Canada Assistance Plan. There is not too much wrong with that. The only problem is that it is not administered as it was intended to be administered.

Mr. Gray: Partly because it is an open-ended plan and is subject to priorities which any government, whether provincial or federal, may consider to be more important at any particular time in history. So they can cut back.

Senator Carter: Should it not be an open-ended program?

Mr. Gray: Yes.

Senator Carter: But you said that is one of the things that is wrong with it

Mr. Gray: Well, it is open-ended in the sense that a government at the federal level may think certain things are all right, but the provincial government may think otherwise. So even there there is going to be inequality right across he country because of the different economic status of the various provinces. If there is a 50-50 grant policy here, then a poorer province will not be able to provide as good a program as a richer province.

Senator Carter: I agree with you what one of the problems in connection with the Canada Assistance Plan is the question of cost sharing which enables wealthy provinces to take greater advantage of it than the poorer provinces. But in your brief you say that that can be remedied by a different apportionment of the cost sharing. Now assuming that all these things are worked out by agreement between the federal Government, on the one hand, and the appropriate provincial government on the other, it should be possible to work out a different cost-sharing basis. Now assuming that can be done, what basis would you put in? Would you put it on the average? Would you put it on a per capita basis or would you put it on a cost-sharing basis based on the average income in the province as compared with the national average?

Mr. Brownlee: Frankly, that is a question that I do not feel equipped to answer in any educated way. I really have not looked into it.

The Chairman: It is a pretty tough question.

Mr. Brownlee: We have raised the problem but we have not suggested the solution.

Senator Carter: I think there is a principle involved here.

The Chairman: They say the poorer provinces cannot contribute, and they leave it at that. Now how that should be corrected is a matter for the federal Government and, perhaps, it is up to us to recommend a solution.

Senator Carter: I know that, but we have had witnesses before us who suggested alternatives. There was one from Prince Edward Island and one from the Maritimes who suggested how this cost-sharing should be worked out.

The Chairman: But these were specialists who made particular studies of the situation. We have before us today two social workers from the Province of Manitoba.

Senator Carter: Who have not read the minutes.

The Chairman: Well, as he said, it is a pretty full-time job which it is even for us.

Senator Hastings: Mr. Chairman, I want to make an observation on something that Senator McGrand has said. He said that you have to inspect. But that is not necessarily the case. In the administration of the Unemployment Insurance Act a man reports once and establishes his right to relief, and thereafter he fills out a card every two weeks stating that his status has not changed. He is not subjected to continual investigation.

Senator McGrand: Unless he is caught.

Senator Hastings: Unless he is caught, but he is not subjected to continued investigation unless he is caught.

Senator McGrand: But unemployment insurance does not cover this whole field. We have to consider the case of a person who walks in and says "I do not have any money."

Senator Hastings: He establishes his right and if there is no change in his status from then on, no further investigation is required. He is not subjected to investigation every week.

Mr. Chairman, I want to thank you for your commendation of the work we are doing in going to the poor, However, I would point out to our witnesses today, that your fellows came off second best every time we talked to the poor. We discovered that the social worker is not held in very high regard. Why is this?

Mr. Brownlee: Well, the reason is that "social worker" is a loose term and it applies to anybody behind his desk when you are going through your eligibility requirement procedures, and this could be anybody from a clerk to a trained social worker. There is a tremendous amount of hostility. Whenever you are made to feel dependent, you resent the person who makes you feel that way. If you are made to feel less than human, you resent the person who does that to you. So social workers have been tarred over with this thing. I personally am not feeling all that guilty about the state of our relations with the poor right now in Manitoba.

The groups that are organizing, the welfare rights groups, turn to us for help and sometimes get it. If we can afford to finance them on a small project, we do it and we attend their meetings and help them to get organized. This sounds like I am patting myself on the back, but I do not feel it is all that bad and I think if you talk to some of these welfare rights people in Winnipeg they agree with me on this, and they have said so in public. A lot of the complaints they make about social workers are justified.

Mr. Gray: I would tend to agree with what Mr. Brownlee has said. However, I would like to add two things. One is that the system itself sucks the social worker into it, even those working in welfare departments. They have to be very dogmatic about the amount of assistance they can give. They may see that a person has special needs in some area, but the program does not allow for it and they have to lay it on the line. That is the way it is. At the same time, I do not think social workers have done nearly enough to reform the systems in which they are working and make them more flexible and available for varying needs.

Mr. Brownlee: There is a great deal of latitude workers can take if they have the wherewithal to stand up against the system and fight for a client. I do not think this is always done. Maybe this explains your question too, that it may be more comfortable for some workers in some positions to go along with the system rather than take the needs of the clients into account and fight for those clients in an advocacy kind of way.

**Senator Hastings:** And we as a government or a society have handicapped you in the performance of your duty with respect to the rehabilitation of people? Is this a fair statement?

Mr. Brownlee: I think that the blame has to be shared pretty well equally between the administrators and the people who set up the programs and staff them. We are ready to take our share of the responsibility for that.

Senator Hastings: Secondly, you mentioned a program of indigents working within your program in Winnipeg, Mr. Brownlee. Could you elaborate on that, as to what that program is, and particularly the success you are having?

Mr. Brownlee: I feel you have missed your chance. The person who could have told you was the person who actually worked as an indigent with the city welfare department, the people who are working for the Indian and Metis friendship centre looking for housing and securing jobs. I think the whole idea of our homemaker program is that homemakers do not have college degrees but are ordinary people and we hire them and pay them to work with families and to look after the children. This is a whole area of employing personnel to do a constructive, worthwhile job. They do not necessarily have to be highly educated. They have to have other qualities, human qualities, understanding and the ability to give to people.

Senator Hastings: There is no one who can help a person better than one who has been there oneself; I agree. But I am asking you about the success you are having.

Mr. Brownlee: I think it is very successful, taking into account only the limited way in which we have been able to do it to date.

Senator Hastings: It has been very successful, but it is limited, and you have been limited because of budgetary reasons?

Mr. Brownlee: Yes, that is the point I was trying to make earlier.

Senator McGrand: I think you mentioned that in some of these cases a person has no control over the circumstances that got him into trouble. We hear that a lot, that these people are victims of circumstances over which they have no control. Would you give me two or three examples of what you mean, because this is confusing me.

Mr. Gray: There are the physically handicapped persons, people who are mentally ill and are unable to sustain the pressures of a job. There are all of the deserted wives, widows, unmarried mothers.

**Senator McGrand:** And then you have the fellow who moves from one place to another to improve his situation, and finds he is worse off.

Mr. Gray: Yes.

Mr. Brownlee: The people who do not have any training for the job market and whose health gives out and, therefore, cannot do manual labour any more.

Senator McGrand: These nearly always fall under another category for which some provision is made.

Mr. Brownlee: Not always. It is very difficult sometimes to get these people enrolled in disability plans or schemes like this.

Senator Fergusson: I do not know whether I should make this comment, but I do not see why we should press these witnesses, who are professional social workers, to give us answers that perhaps we should elicit from people of other professions. I think they are very knowledgeable in their field, but I do not think we should feel they should be able to answer perhaps questions best posed to economists. I appreciate what you have told us, and if you are not prepared to answer those sorts of questions I do not think it discredits any of the evidence you are giving in your own field. I appreciate you are well qualified in that field.

One of the things I would like to say is concerned with your recommendation about family allowances. Obviously, you do not feel that all Canada's present welfare measures are a mess, because you recommend that this program, I think you said, be vigorously developed and extended.

I am particularly interested in family allowances. Looking over it, I thought I would like to ask you some questions about it. You want to have all family allowances declared as taxable income. Do you think this would take care of the criticism we hear so often from people with middle incomes who say, "It is silly for me to be getting family allowances."? We hear this a great deal.

The Chairman: Does he say without exemption, Senator Fergusson?

Senator Fergusson: The brief states:

We believe that the Family Allowance should be declared as taxable income, hence allowing total recovery from families where it is not needed.

The Chairman: Where it is not needed.

Senator Fergusson: But how do you know?

The Chairman: That is the point that I was getting at.

Mr. Brownlee: This would have to go along with a kind of tax or fiscal policy we have suggested. If you establish some kind of poverty line and you do not tax anybody below that and exempt all people within that band of poverty — that is the Canadian Welfare Council's term — nobody is paying taxes and they are going to keep all the family allowances. But when they hit a certain point where you start to tax, then you are going to get that family allowance back, and the higher the income the more you get back, until you get total recovery.

Senator Fergusson: But you are going to get it all back.

Mr. Brownlee: Well, I would say that under those circumstances, then those families would need the family allowance and they should keep it. When establishing the poverty line, if you increase the family allowance to, say, \$60 per child per month, or something like that, then you would have to take that into account in establishing the poverty line.

Senator Cook: You will not get it all back unless you have an effective 100 per cent taxation rate. Supposing a taxpayer's effective rate is 60 per cent, he would still get 40 per cent of the family allowance, would he not?

Mr. Brownlee: But the family allowance would be above his declared income.

Senator Cook: Yes, and he would pay 60 per cent in tax. I am just questioning the statement that you would get it all back.

The Chairman: Not under the present tax system. Senator Cook is challenging the myth in which a lot of people believe. It is said that the Government gets it all back from these rich people, but that is not correct. They always retain some portion of it.

Mr. Brownlee: Perhaps they are not being taxed enough, but I am not a tax expert and I do not pretend to be. If you are taxed at the rate of 60 per cent then you are paying back far more than you receive in family allowance. You are paying not only the family allowance back, but a great deal more.

Senator Cook: But you are paying that anyway, whether you get the family allowance or not. If you get \$100 in family allowance then you pay back \$60, and you put \$40 in your pocket. I am not questioning your suggestion, because I think it is a good one, but I am questioning the statement that we get it all back.

Senator Fergusson: I should like to go to paragraph 33 in which you refer to a system of allowances payable to mothers. This is something similar to what Mrs. Menzias stated in the previous brief. You support this idea, do you?

Mr. Brownlee: Yes, we do.

Senator Fergusson: Do you think that this allowance should be paid in addition to the family allowance for the child, or do you envisage there being just one allowance?

Mr. Brownlee: Well, these are decisions that will depend upon how you choose to distribute the income. If you want to make the family allowance significantly high then it may be that you would not have to pay the mother at all. I do not see any reason why one allowance could not meet both purposes.

Senator Fergusson: The family allowance is given on a different principle. If you want to give the mother an allowance for the work she is doing in the home, then an increase in the family allowance would not be paying her anything. I just want to know what your thoughts are.

Mr. Brownlee: My own feeling about this is that either plan is good, and it is up to the committee to decide what to make of them.

The Chairman: One of our disappointments in this committee is the fact that no one has come forward at any of our hearings and said that there is always a woman who is left at home who receives no benefits from the Canada Pension Plan, and that provision should be made for her. There are survivor benefits, but perhaps the wife should have a pension of her own. Nobody has mentioned this at our hearings. I have listened to you social workers, and it seems to me that you are missing something there. This is something that we as a committee will have to deal with. We know it is there, so we cannot ignore it, I expected to hear this matter raised, but so far I have been disappointed.

Senator Cook: Mr. Chairman may I ask a question with respect to what these gentlemen have said, and what I have heard said by many other social workers? I want to get my mind clear on this matter of investigation, or whatever you want to call it. Is it your feeling that there should be no preliminary inquiry or investigation? Is the complaint against the investigation—that is, someone coming in to see what the situation is—or is your complaint against the fact that the beneficiaries of these programs are being continually investigated? Do you feel there should be no investigation at all?

Mr. Brownlee: Perhaps I could best equate it to the way in which old age security and such other programs are administered. Is there an investigation made of an applicant made for the old age pension? He is automatically eligible if he meets certain requirements. He just puts in his application. This is what we say would be desirable.

**Senator Fergusson:** But if there was a report made that a person had not reached the age at which he would be eligible, then there would be an investigation.

Senator Cook: But there just one single fact is being investigated. You are either 65 or you are not. If I fill in a form of application for welfare am I not to be asked any questions or investigated—call it what you like? Is there to be no inquiry, and do I *ipso facto* get the money?

Mr. Brownlee: Obviously, there has to be some checking done, and this would hold true of any program and whether it is a spot

check or something else, but first of all we have to get it accepted by the whole country that a guaranteed annual income is the right of anyone who is eligible for it.

Senator Cook: Yes, who is eligible for it? That is the point.

Mr. Brownlee: I am basing it on the fact that your committee is going to come up with some kind of a poverty line, so that anybody whose income falls below that level will be eligible for the guaranteed income.

Senator Cook: But how do you go about finding out who those people are?

Mr. Brownlee: Everybody will fill out a form stating his income or his projected earnings, and send it in to Ottawa, and the computer will sort out all those who are eligible. This is the way I see it, but then I may be terribly naive.

The Chairman: No, you are not. In 1965 the Gallup Poll said—this is just an example—that a family of four needed \$100 a week, or \$5,200 a year. If the poverty line is set at \$3,000 a year, then a person whose income is \$5,200 a year is eligible for nothing.

Senator Cook: But, Mr. Chairman, this is based on the assumption—which I hope will prove to be the case—that the country is in a position to pay an adequate minimum guaranteed income to everybody who is eligible. But, assume that the country is not able to do that at the moment; assume that we have to stick, if you like, to our present system, then I come back to my question: What is the complaint? Is it that the original investigation of an applicant is wrong, or that a recipient is checked too often?

Mr. Brownlee: You are assuming the present system?

**Senator Cook:** Yes, assuming that we have for a period of time to continue with the present system, or something like it. Would you not agree that there has to be some form of test of the eligibility of the applicant?

Mr. Brownlee: With the present system, yes, some form.

The Chairman: I do not think people should be under the impression that old age security applications are not being tested.

Senator Cook: That is where they apply for the extra amount.

The Chairman: Yes, the other comes pretty automatically. A birth certificate is sufficient, or an affidavit. But, in respect of the supplementary income an applicant fills in a form, and he may receive it for five, six, or seven months, but someone at some place has a file containing a note to go out and see John Doaks and ask him whether the information on his application form is correct. Spot checks are done all the time.

Senator Cook: Yes, and they have the right to ask.

The Chairman: Yes, but the money is paid over immediately and then the spot checks are made. Sometimes there are mistakes and errors,

**Senator Cook:** As shocking as it may seem, there are mistakes made in income tax returns.

Mr. Brownlee: I think this was the way in which I was trying to answer your question initially. There will have to be some routine spot checking. We have to assume that people will try to cheat, just as they will cheat anywhere else, but they will be in the minority. I do not think we should subject the whole population to some kind of rigid testing in order to catch that minority.

The Chairman: Senator Cook, let me just make this statement, because I think it is important. In the City of New York they got bogged down completely in applications for welfare. They were just overwhelmed about a year ago. They decided to let the person walk in, fill in a form, and then they gave them whatever they required. There was no preliminary investigation. Then they looked at it to ascertain what was the percentage of people who cheated as against those who were investigated and found to be cheating. They found that there was not any difference to speak of. They fill in the forms knowing that they will be investigated sooner or later and there was really no great difference in the original application. They did that out of necessity, but they did it and it is a matter of record.

So there is always a group that does you in. So what? It does not amount to a great deal.

Senator Hastings: It seems to me, reverting to my question with respect to the way you are regarded by the welfare recipient, the sooner we get to this system the better it will be. You then will not become the inspector, but can become the rehabilitation officer, which is what you are trained to be.

Mr. Brownlee: The sooner we can get out of the administration of welfare the happier we will be as professionals. This means removing the provision of financial assistance completely from the provision of social services. One can be done by a computer, a clerk and an investigator, the other we are ready to take on.

Senator Hastings: This is what we do in unemployment insurance; one group mails cheques and the Manpower is supposed to take on the rehabilitation and get the man on the job.

The Chairman: Be sure to read our report, because you are making important statements.

Senator Carter: I gathered from your answer to Senator Fergusson with respect to family allowances that you agree that this is a good, satisfactory program and you would like to expand it. Is that a correct assumption?

Mr. Brownlee: That is right; it is not a satisfactory program now, because it is not sufficient.

Senator Carter: Its only defect now is that it is insufficient.

Mr. Brownlee: That is right.

Senator Carter: I attended a meeting of another committee yesterday where a brief was submitted which recommended limiting family allowance to two children, no matter how large the family, on the grounds that family allowances encourage people to have children, which is against our policy of curtailing our population and it also adds to pollution.

What would be your reply to that brief?

Mr. Brownlee: I do not know whether we anticipated the question;

it is in the brief. We do not feel that generally families in low income areas plan that way anyhow. There might be a few, such as the people who try to cheat on the other aspect, who would try and raise children in order to qualify for more money. Any thinking person would discover that it did not pay them anyway and they would very quickly stop. The majority of them do not see things that way anyhow. It is an old idea that has to be discarded.

The Chairman: It is a myth.

Senator Fergusson: But people do make that argument.

The Chairman: Yes; it seems like long term planning for six bucks.

Senator Carter: What is wrong with the programs? Would you agree that one of the faults of our present programs is that they are based on middle class values?

Mr. Gray: We would have to define middle class values.

Senator Carter: You refer to middle class values and attitudes in your brief, so you must know yourself.

Mr. Brownlee: In that area we are referring to the amount of emphasis that is put on success, which is related to incentive, which is then again related to some of the things said earlier. If you get on welfare you lose your incentive to improve yourself.

The welfare programs that we have certainly are designed to eliminate incentive. We have a program which allows only \$30 a month to be earned in addition to the welfare benefits. This discourages people from going out. There is no job paying \$30 a month that makes it worth while for a welfare recipient to take it. Therefore they cannot gradually work themselves off welfare. That is one area where middle class values are involved, negatively.

Senator Carter: Would you say that middle class values include what we refer to as the work ethic?

Mr. Brownlee: Yes.

Senator Carter: Most of the briefs submitted and people who have appeared before us who have gone through this experience have told us of the tension, the worry and the anxiety which in many cases leads to a breakdown, when they get down into this below the poverty level.

Would you think that this progression towards a breakdown is due to these attitudes that we have embodied? I am asking you as professionals.

Mr. Brownlee: I am endeavouring to understand exactly what is your point. I think the work ethic is pretty heavily embodied in all classes, not just middle income.

Senator Carter: Do you agree with the work ethic as it is generally understood?

Mr. Gray: I think we not only agree with it but even such persons as I work with, who are physically handicapped and have a visible reason for not working, generally wish to work, however little, in order to feel that they can be productive in society.

The Chairman: I think he is off your question.

Senator Carter: That is right.

**The Chairman:** The question was not whether they wished to work; the work ethic originally was a punishment.

Mr. Gray: You should work for relief sort of thing.

The Chairman: Yes, and others. You told us earlier there is not going to be enough work to go around and people ought to be able to sit and paint a picture, although those were not your words, in leisure

Mr. Gray: Are you saying that people should be forced to work at whatever job?

Senator Carter: No, I am asking you the question.

Mr. Brownlee: You are referring to our attitudes.

Senator Carter: Yes.

Mr. Brownlee: My own attitude, although I was raised in the good Protestant work ethic, is that I do feel that it has to change. There is nothing very virtous about a person doing a demeaning job for less money, than he would receive on welfare. I think the man is crazy and doing a disservice to his family and should be told and made to feel that he is doing a better thing by quitting his job and going on welfare.

Senator Carter: Do you feel that our programs as conceived and developed embody that attitude towards the work ethic?

Mr. Brownlee: The attitude I expressed?

Senator Carter: Yes?

Mr. Brownlee: No.

**Senator Carter:** You do not feel that our programs as they are drawn up are not directed to getting people back to work off welfare?

Mr. Brownlee: Yes they are.

Senator Carter: You do not consider that a defect in the program?

**Mr. Brownlee:** It depends who you are trying to get back to work, if the person really would be happier and is capable of working.

**Senator Carter:** I know, but does the program make any distinction?

Mr. Brownlee: Now you are referring to programs, whereas I am speaking of the administration because I think that is where it breaks down.

If you are trying to get a woman with two or three school children to go to work and she wishes to stay at home and look after her children, the work ethic is certainly a defect in the way a program is administered. Should she be forced and feel guilty in this situation? I do not think so but I think sometimes she is.

**Senator Carter:** Yes, that is what I am getting at, because for various reasons she loses her dignity and eventually has a breakdown.

**Senator Cook:** She ought to be looking after her children at home. That is her work.

**Senator Carter:** That job is not equated in the public mind or in the program on the same level as if she were out earning a salary, working in a job.

Mr. Brownlee: That is right.

**Senator Carter:** I am trying to get at the philosophy behind our program, because we have to re-think this if we are going to come up with something constructive.

Mr. Brownlee: I think the attitude that is transmitted to a person on welfare is that they are doing less than their part by being on welfare. Nobody goes out of their way to make them feel they are doing the right thing by accepting welfare, staying at home and looking after their family. This is not done by and large.

**Senator Carter:** This is the attitude you run across among officials in the department, so that recipients feel, "People are human beings. We are all right once we are working, we are treated with dignity and respect, but the moment we are back on welfare we are treated as less than human, we are treated like dogs." Do you not attribute that to the philosophy on which the program is based?

Mr. Brownlee: Yes, I do.

Mr. Gray: There is also an economic tie-in, because the administrators of such programs have to account to a city council or to a cabinet and be able to say, "We have reduced our welfare rolls by so much this year." If they are increasing it is bad and makes the administrator and his department look bad; if they are decreasing it makes him look good.

**Senator Fergusson:** Do you think councils still measure the success of their welfare programs by a reduction in spending?

Mr. Brownlee: Yes, in many cases, particularly in the smaller municipalities, the suburbs, where they still remember the days when \$200 a month for welfare in their city was pretty high. I could document this for you.

Senator Fergusson: I am sure you are right. I am sure you must know more than I do about it, but I am disappointed, because I thought many municipalities had gone beyond this.

Mr. Brownlee: Many have.

Senator Fergusson: I quote one of which I was the chairman of the welfare committee. That was the attitude when I took it on. You were given great credit if you could reduce the amount spent. I am happy to say that I was able to sell the council the idea that the department should be run by a social worker, and that was the first social worker in New Brunswick who administered welfare as minister of assistance. It was accepted, it has grown and they are doing a very good job in that city. A lot of others have adopted the same idea, and I was under the impression that this was growing throughout Canada.

Mr. Brownlee: It might be growing but there are still some pretty backward things going on in some of the municipalities I am familiar with.

Senator Fergusson: Well, then, I am very disappointed.

Mr. Brownlee: I think the person who is under the most severe pressure is the one administering this program, who has to sit in front of his council week after week and answer for every penny he spent on a family that needs it. If that does not affect the way he gives out money—

Senator Fergusson: It seems to me that councils are getting a better attitude towards this and accepting the fact that we do not use that as a standard for giving approbation, that the administrator can cut down on welfare. I really thought we were going beyond this, but you know better than I do.

Mr. Brownlee: It is not always the case. I do not want to make a black and white statement about this, because there are some very progressive municipal councils who are allowing sufficient money and trying to do the best they can, but there are some very backward ones.

The Chairman: Senator Fergusson, I do not know whether you have noticed the recent controversy in British Columbia between the provincial government and the municipalities over exactly what you are talking about. When the minister went out there and said they had to live up to the Canada Assistance Act and put the heat on the provincial government, they said, "Fine, but we are going to make the municipalities pay a greater portion of it", and that started the ball rolling. You can count on one hand the number of municipalities in any province that have a social worker in charge of welfare. Usually it is one of the administrators, and in the small municipalities it is still the fellow who is due to be retired next year, or something like that, and they give him a job. In the larger municipalities the social worker does get in. They watch their pennies in the smaller municipalities.

Senator Fergusson: Well, you know more than I do about that. I only know my own experience.

The Chairman: You brought that up.

Senator Fergusson: In New Brunswick, small as it is, several have social workers, but I will check on it.

The Chairman: But New Brunswick is unique and good, because it does it on a regional basis and they are able to handle it in that way.

Senator Fergusson: This is before the regional basis was set up, many years ago.

Mr. Brownlee: I think some of the most depressing situations I have ever seen happened when I was working in rural Manitoba, where the rural council did not really budget anything for welfare costs. If there was a family in need of emergency aid in that municipality they went hungry. I personally was involved in a situation where a family of three children was getting \$10 a week. It is incredible. We have not licked the problem. Inroads have been made and obviously there is spotting throughout the country.

Senator Fergusson: Thank you. I am sorry, but I did not really understand that.

The Chairman: Let me just ask one more question that is bothering me, to which maybe we can get an answer. You heard the ladies here this morning, some of your clients. They talked about the

working poor. I do not have to define to you who is the working poor; you know as well as I do. Assume for the moment the working poor need assistance. Whoever he may be, where would you go to get assistance for him?

Mr. Brownlee: Do you mean money assistance, financial?

The Chairman: With the services you have got there he is now receiving less money than you give a family of five on welfare. He comes to you and presents the problem. However, he is working full time. Where would you go for money for him?

Mr. Brownlee: I would go to the municipality and ask them to supplement his wages.

The Chairman: Through welfare?

Mr. Brownlee: Yes.

The Chairman: Then you would be introducing him into the welfare system and making him part of the welfare system? He is not part now, he is a working man, full time. You would then introduce him into the welfare system?

Mr. Brownlee: Yes, I would.

The Chairman: Do you know any recoveries from the welfare system? How many generations on welfare do you know? How many people have you come across?

Mr. Brownlee: You mean who have been on for generations?

The Chairman: Yes, for generations.

Mr. Brownlee: Not that many, frankly.

The Chairman: But you would involve him in the welfare system to get that money?

Mr. Brownlee: Yes.

The Chairman: And you think that is the best thing for him?

Mr. Brownlee: It is the best we have under the present system.

The Chairman: That is not what I asked you. I know what is best under the present system, or I think I do. This is a question for both of you, and you can confer about it if you like. It is not an easy question, and you should have been thinking about it, because you know the problems. What would you do with him?

Would you introduce him into the welfare system, and if you got him in how do you get him out?

Mr. Gray: I think looking at this more broadly, subsidization helps the individual perhaps, but it is also subsidizing low wages.

The Chairman: I am glad you caught that one

Mr. Brownlee: O.K., granted, but if a man has ten children-

The Chairman: I do not care how many children he has got. He needs money and we are prepared to give it to him. You say he goes and gets it from the welfare system and becomes part of the welfare group.

Mr. Brownlee: Sir, your question has certain implications for me, that you are still seeing the welfare system as a very negative system.

The premise that I tried to outline at the very beginning is that we have to get over this thing that the wage earner has to bring in all the money to support his family. We are saying that is no longer the case. You can up your minimum wage all you like, but if the man has a large family there is no reason why he or you should feel that it is a bad thing to introduce him to the "welfare system". If that system can give him the supplement to his income or a guarantee of an income or whatever it takes to bring him up to a level I do not see it is necessarily a bad thing.

The Chairman: The difference between supplementing and giving him a guaranteed income is based on his family. I should hope there would be a difference between that.

Senator Hastings: What you are doing is giving that man a guaranteed annual income through the welfare system with all the stigma that goes with it.

The Chairman: I could not put it better than Senator Hastings just did. It is not easy to answer. You think about the last statement, because it is very interesting.

Senator Hastings: Isn't that what we are doing?

Mr. Brownlee: In the present system, yes, but I would rather do

that than see them starve. We are not omnipotent. We cannot change it under the present system.

The Chairman: We cannot either, but we are thinking of how it can be done.

This has been a very interesting morning, and we have made it interesting for you people too. The reason we did this was to find out whether you are still entitled to your certificate and qualified. You both passed and did very well. You must understand that there is a difference between our questioning of many of the ladies who were alongside of me this morning and questioning you. They are the recipients and they do not have the qualifications that you have. For that reason we are a little tougher.

Senator Fergusson: I think some of them have.

The Chairman: Mrs. Menzias has more qualifications than most of us have. These are specialists and we wanted to get what information we could from them. You were very helpful and exploited some matters which gives us some idea of things that are going on and revives some things that we knew before and makes it easier for us to come to some conclusion. Mr. Gray, don't be so pessimistic about what can be done and what cannot be done.

Mr. Gray: I was doing the same thing to you.

The Chairman: We think this will be a very valuable exercise in time and we hope it is not too far away. Thank you very much for coming.

#### APPENDIX "A"

The Family Bureau of Greater Winnipeg 264 Edmonton Street, Winnipeg 1.

### A Brief from the Working Poor to the Senate Committee on Poverty

For the perusal of the Senate Committee on Poverty we are presenting this brief on life under conditions of poverty, compiled by an organized group of low income families operating under the auspices of the Family Bureau of Greater Winnipeg. The concerns of this group are highly relevant as indicators of the attitudes, needs and circumstances of the working poor and illustrate aspects of the problem of poverty which the Senate Committee should carefully consider.

The recommendations of the people are closely allied with the more adequate provision of basic family support services on a universal scale. In addition there is a strong request that present programs providing aid and resources become more relevant to the needs of people. They also ask that the citizenry be utilized more effectively in planning on their own behalf to achieve a higher degree of proximity between planned programs and the actual needs of communities and individuals.

It is clearly evident in this brief that the working poor desire to remain independent and productive but they are restricted from accomplishing these ends by the burgeoning costs of maintaining a family in our present economic and social system. The alleviation and control of this type of distress is a central theme. It is felt that tangible resources should be extended and made more freely available rather than relying solely on the enhancement of income. For the poor, purchasing power becomes an elusive and unreliable basis for survival for the cost of available goods on the open market often outdistances the income growth of the poor. More controls on credit and more accessibility to goods, services and information, are viewed as essential and immediate steps to be taken.

The group presenting this brief are requesting many changes in the existing structures. These they feel will relieve significantly the lacks which the poor are presently experiencing. We trust that these ideas will be closely examined and we hope that you will be assisted in defining new directions regarding the alleviation of the growing problem of poverty.

We thank you for your consideration of the material which we are presenting.

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## BRIEF SUBMITTED TO

THE SPECIAL SENATE COMMITTEE ON POVERTY

by

THE ACTION COMMITTEE FOR SPECIAL SERVICES

and

THE FAMILY BUREAU OF GREATER WINNIPEG

254 EDMONTON STREET

WINNIPEG 1, MANITOBA

## PREFACE

- effort on the part of the Family Bureau of Greater Winnipeg, which is a family service agency, and an organized group of interested citizens currently in receipt of homemaker and day care services from this agency. The contents of the brief are predominantly the views of the persons participating in this client committee, all of whom are closely attuned to the problems of poverty and more precisely those of the low income family. They have each encountered the problem of lack of resources and are well qualified to comment on the failure of our present economy and our welfare system to meet the needs of the low income group.
- To academically and abstractly define poverty, or one of its restricted component parts, is naive. The error in this approach lies in the possibility that the theory, once it's formulated, will be impractical in its application. The existing methods of dealing with poverty err in this way for they have become self-perpetuating rather than related to the ever-changing needs of the population which the systems were originally created to serve.
- 3. The purpose of the material drawn together in this document is to illustrate and emphasize the difficulties faced by people with limited income. The dilemmas, pain, discomfort and

frustration of each situation which we will present points at needs that have to be met by future programs at all levels, local, provincial and federal. Obvious gaps in aid to low income families are revealed in many areas when the actual experiences of our group are discussed in this brief. Each lack can be traced to the lack of influence and power, both economic and social, of the low wage group. Instead of being able to purchase helping aids or adequately provide for their individual needs, low income families often find themselves in difficult if not dire circumstances.

These are the consequences which the poor are expected to handle quite silently. Poverty quickly becomes a measure of futility and the following verses express our feeling even more exactly.

#### LIFE

Poverty, Misery, hurt and sorrows, Each one a measure of pain; Empty todays and tomorrows, Each one we enter in vain.

Reality, Airy daydreams plot new ways, To fill the barren years; The cruel and dreary days, Demand their due in tears.

Apathy, We must endure the terrible threat That constant bondage is man's pay, For freedom's price will not be met, And the future moves farther away.

Misery, As vast loneliness, anger and fear Meld with weakness, want and despair To claim their tariff year by year, We leave the futile fight for fare.

Eternity, Life is a meaningless mime, For we struggle, weaken and die, Becoming the victims of time Dispatched without a sigh.

Jacqueline Briscoe

## THE STATE OF BEING POOR

- we too often consider poverty as being apart from people and eulogize it in a philosophic fashion. We examine its causes with care and precision and assess the universal cost of its incidence. This is done with little regard for the effects of poverty, which is wrong. In reality, poverty, in snite of its causes, is exposed as an insidious influence when its effects rather than causes are examined. What happens to a family when its income is severely curtailed and contacts and opportunities for its members are circumscribed by the need to become eligible or to qualify for everything?
- 5. For most people in these circumstances, the freedom to choose and select alternatives disappears and they are forced to either take whatever they can wheedle or quickly grasp what is handed out. To say the least, this is dehumanizing and perpetrates a severe disservice to those who must live on low incomes. Why should people be penalized for their failure to accomplish more than a minimum standard of income and who therefore can achieve only a low standard of living?
- 6. Mrs. Hogan bears witness to these ideas and questions when she relates her experience of six years of living on a poverty level income. The crises she faced are commonplace for the woman in sole support of a growing family, but the pressures are neither ordinary nor necessary.
- 7. "Where does one start with a story like this? So, here we go and start at the beginning.
- When I first came back to Winnipeg eight and a half
  years ago, I had separated from my husband, not legally,
  mind you. I contacted the Family Bureau for counselling

10.

11.

service, however, one-sided counselling really isn't effective. I was legally separated in September, 1962 and obtained my divorce the following June, 1963.

In the beginning and until he left Winnipeg I received maintenance of \$320.00 a month from my husband. Then he went to Toronto as he had been ill and had to give up his job as Sea-lift Co-ordinator for Federal Electric (\$14,000.00 a year). The maintenance payments stopped and I found it difficult to make the transition from that monthly income to the income of \$200.00 per month that I was earning at the time. It took me three years to go through the Family Court here and in Toronto to finally arrive at a stabilized maintenance payment, which I now receive regularly. In those three years I received only about \$1200.00 from my husband.

However, in order to work to support the family, I had to have someone to look after my four children, at that time aged 8, 5, 5 and 2.

I had no family in Winnibeg, but at that time (1062)

I had sufficient funds to pay for a reliable homemaker.

However, they were, and still are, through ads in the papers, almost a nonentity. Finally, I sent the older children to a Convent in Bruxelles, Manitoba where they stayed until June, 1064. The Sisters did not charge me for the last six months, but kept them there to help me out. Thank God for that, as all I was making was \$200.00 per month and out of that was paying, \$60.00 board and room for my baby. I took the baby to the

family who cared for her on Sunday night and picked her up on Friday night after work.

12.

However the time came when school was out, and what to do then? I had asked the City Welfare for help and was told that I didn't qualify as I was making too much money. After deducting rent - \$95.00 per month and Paddy's board - \$60.00 per month, there was very little left.

13.

I had to bring the children home. I was able to get an elderly aunt to look after them, as a favour to me, for the summer, after which time, I boarded the baby out and had to leave the older children alone, for one half an hour in the morning and one hour at night.

14.

All this time I had been trying to get assistance,
I didn't care from where, just HELP. My family was
in Vancouver and unable financially to help me. I knew
that the Family Bureau put a Homemaker into a motherless
home, but they were unable to assist me.

15.

My son, generally wrought havoc with the girls during the times that I had to leave them alone, (he was 8 at the time) so he decided to set fires. I received a visit from the Fire Inspector and talked at that time to many people, who advised me to place him in Children's Hospital for Psychiatric examination. I was told by various officials that the child would be taken away because he was neglected etc. I could not get help, but this didn't enter the picture. He was in Children's Hospital for three weeks and then no further course of action was indicated by a child psychiatrist.

16.

Finally things got critical, and then I got help.

The Family Bureau obtained permission to help mothers in my position by providing a homemaker. I believe that I was the first Winnipeg mother to obtain this type of assistance.

17.

The Family Bureau placed a homemaker is my home for five days a week, and I was able to keep my little one with me. Needless to say, this alleviated a lot of strain on myself and the children. I just want to point out that, in the case of my son, this help, if obtained in the beginning may have saved him from requiring further treatment. I have just placed him under the care of a private psychiatrist and he is being seen, in fact we are being seen as a unit by a male social worker from the Family Eureau. I just hope that we are successful. Bill, previously, has been under the sporadic care of the Child Guidance Clinic.

10.

I than't God, for this aid from the Family Eureau and their special kind of homemaker and social worker, who collectively, are very understanding and always have time for my problems, be they big or be they small.

You know, when one is alone, it is pretty wonderful to have someone to talk to, believe me! I have had, since the little one entered grade one, a part— time homemaker, which has helped me a great deal.

19.

Over the years we had moved from one cheaper place to another until finally, it got pretty bad. I bought a home, through CMIC, with the aid of my employer, for \$100.00 down and presently pay only \$26.00 PIT. I was

fortunate to get a mortgage at all, for today it is practically impossible for the low income, sometimes even the average income bracket, families to buy their own homes. It might not be much of a house, but it is ours and the children can have their friends in when they wish. If it falls apart, so what, I imagine it will last another ten years, which is as long as we will require a home of its size.

20.

In November of 1968, I had to have an operation on my shoulder. I had pins put in it and still do not have full use of my arm, and again the Family Bureau came to my assistance. They placed a homemaker in the house while I was in hospital and gave me the moral support that kept me going. I had been told that I would have full movement in my arm in six weeks, and it was quite a shock to learn that I could no longer use it properly. I was off work for nine months in all, but I am fortunate that I can still earn a fairly good living.

21.

I had called the City Welfare when I was advised I had to have this operation, and was told that I could not apply until I was actually unemployed. I could not collect unemployment insurance (after paying into it for years) as I voluntarily left my job. Imagine, as if anyone wants to be sick or invalided?

22.

If it had not been for the Family Bureau and a

Manitoba Government official who advised me to go to

the Provincial Welfare Department, I really do not

know what I would have done. If I had had to depend on
the City Welfare, I would have had two days to arrange

for a sitter and all the financial problems as well to work out. I finished work at 5:00 p.m. on a Friday night and went into hospital on a Wednesday at noon. What can anyone do in circumstances like this in the time allowed?

23.

After the operation I found that I had to go back to school as I didn't have any co-ordination between my hands. I was subsidized by a Canada Manpower program and managed to go back to work after three months at school. I was fortunate enough to get a job with a fairly good future for me and the children. I wish that there had been the opportunity to take a better course, but this is not allowed through Manpower as they will only subsidize a one-year course. I had wanted to take a Business Management Course, and could have been assisted by the Provincial Social Services by way of maintenance with only the tuition paid by Manpower, but here again it was not a possibility.

24.

Well, that is the main part. I know that it might be a little long-winded, but I just wanted to point out that the government, whether it be Provincial, Federal or Municipal, should have some way of assisting people like me and the many others that would like to be independent and do not like the idea of being on total welfare. If they could just get together and amalgamate all the needs into an understanding body that can iron out difficulties without the individual getting stopped by one agency or another before you can really get started.

25.

Why not have a homemaker service that can provide the homemakers necessary in the various homes, for whatever the reasons, whether it is illness, a motherless home or a fatherless home, like mine? Why do people have to wait until, many many times, it is too late and the family is broken up or the children have become delinquents because they have had to be left unsupervised for long periods of time? I think, and many people agree with me, that a good reliable person should be placed into a home to look after children while the parents try to help themselves by maintaining a little pride and dignity. By having proper facilities for the children to occupy themselves during school vacations and by offering a job opportunity to students old enough to help out by working a few hours a day, the situation of the low income family would be helped.

26.

I could mention many more. I would like, for my own henefit to say, and I feel this very strongly, that if the Family Bureau had been allowed to help a working mother in a fatherless home sooner, I would not be the nervous, highly excitable person I am, nor would my son have the problems he now has. It is very difficult, and I think I can speak for all the mothers who find that they have to support their families very much on their own, that it is hard on the woman and the children, doubly so, as they not only have lost their husband and father, but the children find themselves with a mother who has to leave home and earn a living, that can't be soft and loving all the time the way a mother

29.

should, because if they are too soft the children get no discipline etc. The mother is suffering too, because of this and also the fact that not too many women can earn a sufficient income to keep a family of four out of the low income bracket and provide them with all of the things they require.

As I have said before, if the governments could give a complete service starting with training programs, homemakers in the beginning and not after the situation is serious, it may be a lot less expensive than supporting all of the various agencies who seem to be doing duplicate work.

28. All I can say, again, we the people in the low income bracket, need help. Not welfare as such, but the opportunity to improve the situations and homelife that we find ourselves in due to lack of education and the whole bit, through joint services.

Services like the Family Bureau and their type of
Homemaker service and the understanding workers that I
have encountered in their offices in the past six years,
need to be extended, then maybe there would be fewer
people on full welfare, and fewer children leaving school
before they are sufficeintly educated to prevent the
same thing happening to them and their families."

I THALK GOD FOR THE FAMILY BURBAU!

## THE CIRCUMSTALICES OF POVERTY

- 30. It is acknowledged that poverty is a circumstance which grossly affects the lives of many thousands of Canadians. A multitude of characteristics have been ascribed to this phenomenon and its causes have been delineated in many ways. In spite of these descriptive excesses, poverty remains, very simply stated, a blight which warps and restricts the progress and development of an entire segment of the population of Canada.
- In some quarters poverty is held to be synonymous with welfare and all of the associated ills of the welfare recipient.

  It is agreed that persons living under the imposed conditions of Welfare are existing well below the poverty line, however, their numbers only represent a small sample of the actual population forced to live under conditions of poverty. "The analysis of 1961 census data in the Fifth Annual Review of the Economic Council of Canada published in September, 1968, revealed that two-thirds of the heads of poor families (on the basis of fairly conservative estimates) were in the labour force and over three-quarters of poor families had at least one wage earner."
- The significant word when discussing poverty is of course, condition. For the working poor, who comprise by far the largest poverty group, the lack of income is not the most dramatic criteria for poverty. Rather the lack of opportunity, resources and power are the more significant concerns. Life needs, such as shelter, food and clothing are somehow meagrely met but such luxuries as recreation and supplemental purchasing power do not often exist. Poverty becomes circumstantial and highly nebulous. Poverty lines don't effectively describe the true nature of poverty nor do any of the other often used social, economic and political criteria define what it means to exist at a subsistence level.

- people who lack purchasing power or social influence. If an individual admits defeat our society benevolently places him or welfare and he faces bureaucratic control of his activities. His life is then governed by the rules and principles of an often archaic system which believes a person on welfare relinquishes his rights. Also, he must not be allowed to become too comfortable for fear that he will become a parasite.
- does offer limited advantages. Many basic services are purchased by the welfare department for its clients which the low income earner cannot afford such as optical and dental services, drugs and household repairs. Certain areas of influence and power also accrue to the welfare recipient which do not exist for the individual who has few of his own resources. However, one compromise must always be made by the individual or family desiring these questionable advantages. They must be willing to lose their social dignity by choosing to carry the stigmatized title of "welfare recipient." For many this is a high price to pay.
- which creates an enormous amount of social pressure for those persons who are unable to compete or conform. Opportunities, for example, usually carry a high price: a price which often takes them beyond the reach of a family living on a basic wage.

  Education costs are a notorious example of this. Expenses as small as fall school supplies often break the budget of a family with a low income and with several school age children. Education becomes a family dilemma rather than an opportunity for the children. If we extend this to include the special school costs of tuition and the costs of educational privileges such as tours and

Poverty

projects, we find the children of low income families often doing without and therefore further circumscribing their future opportunities which will be based on academic standards. In addition, how do you properly clothe a school child if you have to rely on hand-me-downs or handouts? How do you help children face the pressure of constant deprivation of the extras and favours which the children of higher income families take for granted?

- 36. Poverty becomes a restrictive and negatively pervasive mood. It is a life condition that cannot be easily compensated for. Persons forced to live in this state slowly become frustrated and tired of the struggle to make ends meet. Short term incentives are meaningless as they usually offer a false sense of security and achievement. What is required are supplemental, ongoing direct aids which support the individual's innate sense of dignity and allow him to perform to the full extent of his potential rather than allowing him to dissipate his strength and drive on the never-ending pressure of survival.
- 37. Povorty is somewhat Darwinian when viewed from this perspective. The individual in our society adapts and takes shape in response to social and environmental demands. As our society perpetuates its current philosophic values the poverty group begins to emerge and grow. It evolves to become a counter power to the prevailing economic and social ethic with its emphasis on materialism and societal class structure. Those living under conditions of poverty, which equates to a lack of resources, begin to demand equal opportunity and a secure financial base.
- 38. As society adapts to its natural environment, the world state, through scientific, industrial and economic means an everincreasing number of survival needs are created for the individual

component in this system, man. His ability to achieve these new dimensions and relate to the expectations established by their acceptance, is often lacking. Society similarily fails to accommodate this miniscule part called man by not producing relevant means of achieving and fulfilling these newly-shaped ends. Old systems often do not meet new needs and must be retooled or obliterated to be replaced by need-related systems.

- independence and be placed under the authority of a paternalistic and limited welfare payment system such as exists presently.

  Progressive and varied programs and procedures must be introduced which would enable a blend of independent functioning and supplemental support to the lower income and poverty level group.
- members of the family unit and places direct limitations on their functioning. The struggle to provide the bare necessities makes people keenly aware of what they lack but it neither contributes to the improvement of their standard of living nor does it offer or create opportunities for advancement beyond the poverty line.
- the 'sense of worth-poor', the 'power-poor', the 'resource-poor' and the 'credit-buying-poor.' In a society where people are too often evaluated by what they earn and/or accumulate in dollars and cents, plus the degrees and diplomas they may have collected from various colleges, it is hard to give the poor a sense of worth when all they often know is what they have learned in the school of hard knocks. For this there are no credits towards a university degree or a certificate to better employment. The story of a sole support mother of three children identifies the dilemmas of the poor.

42.

While on the welfare roll for a supplement to my wages in 1960, I figured that, barring any great disaster, I could work myself up to an annual income of \$4,200.00 to \$4,500.00 and having worked out a loan plan with the Caisse Populaire, I could start purchasing a home.

(I have only a grade \$ education). Now I am earning that figure, out NHA sets the loan eligibility at no less than \$6,000.00. By the time I hit \$6,000.00, the mark will probably be \$10,000.00, the children will be grown and I will have remained forever under the poverty level. This is what the poor have to look forward to.

43.

However, the poor have VALUE, whether it is recognized by society or not. It's about time that some resources were used to hail these values, to give the poor marketable credits in writing from the school of hard knocks."

#### A PORTRAIT OF THE POOR

### 1. WELFARE OR WORK

44.

\*\*With no means of support for myself and my three pre-school children, the question was should I go on the Welfare roll or to work?

45.

Due to the destitute and emotionally deteriorated condition of the family, I chose Welfare as an immediate solution to an urgent, but unsolved family breakup. I was told that aid would not be forthcoming without a <u>legal separation</u> from my husband - something neither of us envisioned nor wanted, even though I was not able to cope with the present condition—no legal

separation, no support. The separation was obtained through a lawyer and my husband and I came back home hand in hand.

I was on full welfare support for only 3
months and supplemental welfare for 5 more years
after obtaining part-time work. Then I became
self-supporting with a full-time job. I was
then faced with the question is it an advantage
to be self-supporting?"

47.	7. WELFARE		WORKING	
	Wages from part-time job - monthly -	\$ 30.00	Full time job (Net)	\$ 200.00
	Welfare Supplement	106.00		200.00
	Less babysitting	30.00 \$156.00	Less babysitting	30.00 \$170.00
	CEPERITS:			
	Unlimited drug and paid medical & hospital coverage, Eye glass & dental care supplied, a taxi to and from the hospital or doctors could be charged in an emergency. Babysitters supplied in cases of sickness, etc. etc. etc.		Blue Cross & Hospitalization (limited coverage) 20.00	
			Glasses for son	* (31.00)
			* not counted in monthly expense.	
		no charge		
		\$156.00		\$150.00
	Replacements of appliance or repairs available		To connect a stove	\$ 23.00
	Limited number of moves from old to new quarters	no chargo	Moving	\$ 25.00
	Trom ord to new quarters	no charge	Insurances were obtained at a higher premium rate	

due to refusal, 5 years previous, of coverage to welfare recipient.

## BENEFITS: Cont'd.

#### Welfare

Time to shop at bargain prices; Goodwills, discount stores, second hand stores, etc.

Time to mend, clean, do some sewing and re-making of old clothes.

Time to get a lift, once in a while, at the hairdressing school with a 50¢ hairdo (at the time opened only in daytime).

# Working

Only time to shop at corner stores, in evening, where prices were high and choices were limited.

Clothes deteriorated faster through lack of care, sewing became a dream.

No hairdo - no lift.

N.B. Although medical and drug coverage could be obtained at OUT-PATIENTS Department of the Hospital free of charge, this only meant free in dollars and cents. The process was time consuming, taking valuable hours away from job, and frustrating as well as being often wounding to the dignity of men.

## 2. LODGING

48. "I found that the stigma attached to finding lodging was not so much due to being a welfare recipient but rather to my being a separated woman with children. Once off the welfare roll, I found out I had lost some power:"

# 49. Welfare

On the welfare I could say that the Department was allowing me only \$45.00 a month for rent and this was respected. The landlord was sure of this \$45.00 and often settled for that rather than

#### Working

We need a Housing Department
where the "resources-poor" may
turn for help, in finding suitable living quarters at a
reasonable price. A department
that has information at hand

## Welfare Cont'd.

pressing for \$55.00 which he would have a hard time collecting. We soon learned to use the department as a force behind us. The welfare department keeps a listing of about 40 addresses with multifamily use that the department will not touch for people on welfare because the housing is so bad. People who are working are renting them.

# Working Cont'd.

regarding schools, stores, discount stores, health services, drug stores, shoerepairs etc., so we can know what is available in the area we are moving into. A department that can help the absentee landlord with advice or directions in giving the low-income person what he needs. A department that will also hassle with the landlord in certain extreme situations. The "resources-poor" are "power-poor." Decause the landlord doesn't live on the premises, he often uses substandard paint and colors for practical purposes with no knowledge of their depressing effects.

#### 3. FINANCES

The spite of the advantages I was determined not to remain very long on the welfare roll yet I lacked the courage to cut myself off completely from the only security I had known for a long time. If I could help it, I would never again see a child of mine cry of

hunger, nor would I ever be without a penny to my name. However, with the money I was making it could be just a dream. While still or partial welfare I decided to open an account at the nearest bank (one block away - the location was an asset) which would permit me to cash my part-time job cheque, not only with dignity, but also with an opportunity to leave a small amount each time (50¢ to a dollar if things were tight - few teenagers would even think it worth while for that now). Later a checking account was opened so bills could be paid by cheques. This was an advantage and a saving. It is a misconception of the poor that a bank account is a priviledge of the rich when the poor need it more. To pay a bill, a cheque is 10¢ and a stamp is now 6¢ plus untold savings in time as compared to a now 25¢ bus fare each way. Once this system was established and the account running low, but smooth, a loan was requested at the 'Caisse Populaire" of the area in order to establish a good credit rating in my own name (the spouse's name if often mud). Stores all refused to be the first to try me out. I was told I would need a co-signer, but being aware of the Caisse Populaire's written policy "help to low-income" I insisted it be put into practice. I eventually obtained a \$125.00 loan from them which I religiously paid back on time never even a day late. However a charge account with Eaton's was not obtained until I was off Welfare completely,

1:53

in spite of the good rating at the "Caisse Populaire."

Even then I set my buying limit very low. With very careful and I do mean careful money management it wasn't until 11 years later that I could finally purchase a savings bond and get some money working for my family. If, for health reasons, I could not work for any length of time I would again be forced to go on the welfare roll and these hard won advantages would be lost."

"The Public School System, has proven to be a good

# 4. EDUCATION

51.

and practical means of getting the majority of the population educated and trained. The minorities with special needs and dollars and cents are able to purchase the means to answer these needs. But the minorities without the dollars and cents are the losers and often are forced to carry the burden while a political issue is being debated, sometime for years. We often forget that the indigent person is very much aware and has great insight into the needs of his family, but unlike his more affluent neighbour, he has no purchasing

52. When I went on the Welfare roll my eldest child was

to start school. My mother tongue being French and
knowing the advantages of bilingual education, although

to illustrate what I mean.

power and those needs are often met with unbelievable anxieties, frustrations often at the cost of human dignity, which leaves him emotionally crushed. I wish

asset.

I was without dollars and cents and had no means to obtain money, I was determined to at least give my children that important educational

53.

However in 1957 our great good school system did not make this available, it was a problem of a minority group. Because of a political issue, aid was not available to private and parochial schools, where French was taught. To obtain this extra asset I moved so as to have no transportation costs into a substandard dwelling close to a parochial school offering these courses. I found that the Welfare Department did not supply school materials, text books, scribblers and so on to Welfare recipients if they did not attend a public school. With the help of generous people I and at least 5 other Welfare families in the same school struggled through and gave our children that extra weapon of survival. Today our families are richer for it. A wealth often overlooked in our materialistic society: no thanks to the Government, the Welfare Agency or the Public School System. My heart goes out to the poor minorities struggling with similar problems. There are many ways of being poor.

54.

When my oldest son was entering teen years in grade 9, having been under the influence of women (mother, grandmother, babysitter, nun teachers, these being the only ones available at a low salary), I feared that measures would have to be taken to help

him become a well-adjusted man. In 1965 I went to the Family Bureau of Greater Winnipeg with only a vague idea of what steps to be taken. I turned to the Family Bureau because in 1956 and 1957 during the breakdown of my marriage they had been for me a source of counselling and moral support given without injury to my human dignity - unlike the experience at the Welfare Department. A male social worker was assigned for my son for a 2 year period as a preventive measure to help him cross a difficult period in his life. This was done without cost as determined by my earnings. The whole family benefitted as it was through this social worker that I became aware of being an over anxious mother trying to prove that a broken home doesn't necessarily produce delinquents. Once I relaxed about needing to fight this misconception (put there by public opinion and bad publicity) I found pressures eliminated and family communication improved. It was already good, but it got even better.

of preventive measures are available to the public of all income levels. I thought sending my son to a Boys High School with male teachers would help towards giving him a healthy attitude towards men as his father hated and damaged him. The social worker agreed, but co-education being the only type available within the School System this special need had to be purchased at a private school. I chose the cheapest at \$420.00

yearly tuition fee. The Department of Education

We need more programs or Bureaus where these types

55.

refused, in spite of the good letters of recommendation by the social worker, 2 years in a row, to award my son a bursary because of a political issue. I have letters to that effect. A partial bursary was finally obtained through the private school itself. but at a cost in pressure, frustration and anxiety so high that after Grade 10 I pulled him out, hoping that the 2 years of masculine influence and the guidance and friendship of the social worker had helped him. The results were well worth the price as he is now a responsible well-adjusted teenager who gets along well with his peers, gets very good marks and is in charge of a concession booth with a turnover of \$10,000, yearly. For this labour, one evening a week, he earns \$10.00 a week. Besides having refused any money from me for 2 years, as he pays all his expenses, clothes haircuts, etc., he is putting some aside for higher education. Not bad for a 16 year old, the product of a broken home.

56.

Similar stories could be told about the other
members of the family, but it's only necessary to
illustrate the measures that were taken, by a sole—
supporting tired mother in the slum area of this city.
We should ask ourselves if this struggle is really
necessary when dollars and cents are being poured
freely into untold numbers of less valuable projects.
Thousands are being spent in restoring relics and
museums, but how much is being spent on restoring a
human being or preventing the breakdown of a human being.

We have a world where <u>rights</u> have to be purchased with dollars and cents. The minorities and the financially poor are left with only the purchasing power of crawling devoid of their human dignity. The result of this being a bitter defensive man towards society.

This is a portrait of the poor,

57.

I would like to see courses on the topics of family life, personal and inter-personal relationship and adolescents given in the Adult Extension Courses. These should be given at the University with bursaries attached to them. I also wish to point out that I would like credits attached to these courses or lectures, if only by a certificate indicating hours in attendance and/or amount of participation in such courses. Unlike compulsory schooling, the fact that these courses are sought through a person's own initiative should be of value in obtaining better employment when other formal degrees are not within reach. They could even by used as character references in some cases.

58.

Three years ago I took a course at the cost of \$40.00 and the whole family are still reaping its benefits. Although I could not afford it in dollars and cents or time, neither could I afford to bring up my family in this complex society without it. A two hour lecture one night a week for ten weeks is more accessible to the poor man and woman that have limited time, income, clothes and have babysitter problems, etc. Training centres on the other hand are best located in the area.

59.

Educational Courses, I believe, do their best work when the group comes from all income levels.

The poor, in their culture, often believe that if they had dollars and cents, their problems would be solved, but when they rub shoulder to shoulder with the more affluent, they find out that they too have their pressures, frustration and sometimes far greater needs that money can't relieve but which having money has created. The poor may come back to their area with a different point of view and learn to appreciate what they have and get it to work for them instead of crying over their lack of money."

#### 5. CONCLUSION

60.

"In return, aside from bringing up three future upstanding citizens with a sense of worth and justice, who do not need or use crutches such as smoking, drugs, we as a family are making our contribution to society with valuable means, other than money, to better the world we live in. To mention a few, I started being a regular Blood Donor while still on Welfare and my children are talking of doing the same when they become of age. Some years ago in 1962, a sole supporting mother and myself teamed up to canvass for the Red Cross in our area and I continued to canvass for the United Way for some time, I then was selected to be a member of the Board of the Family Bureau.

51.

I was completely convinced of the existence of values other than dollars and cents when, sometime ago

I overheard one of my children answer a friend who had made the remark, upon seeing our old furnishings, that we must be poor,

"No we're not poor, we're rich, we love each other like crazy."

#### AM APPROACH TO POVERTY

- existing services are before eliminating these services to clear the way for some new efficient and more effective plan. It is interesting to note that for the working poor material assistance is relegated to a low priority and personalized services assume precedence. This group feel they do not want to depend on welfare assistance to provide the basics. They would rather rely on other services than financial assistance to maintain their individual families at a good level. They require help that relates to their immediate needs in a supportive way rather than the provision of momentary financial panaceas.
- date is the failure of our communities to provide the opportunity for interaction and involvement of people in the program structure.

  More scrutiny by those persons using services would be an interesting advance. The Economic Council of Canada suggests a similar idea when it states, in Perspectives 1975:

"Some recent research suggests that the aspiration of the poor for economic opportunities and a middle-class style of life may be very strong, and that the desire to participate in a productive way in our society is more often frustrated than lacking."

- Assumptions are often made that the poor lack talent or skill, have limited ability and intelligence and are apathetic and reticent. Such generalities are mythical, but nevertheless form a base for discrimination and prejudicial treatment of the poor as a group. This in turn sets up certain social limitations for the poor. Rather than expecting that the poor will require high cost dependency creating programs, new directions should be chosen which will develop and use the ideas, interest and ingenuity of the low income group. Low cost programs based on the ideas of self help, volunteer effort and co-operative endeavours are only a few of the means of making people instrumental in relieving their own discomfort.
- the greatest benefits which isn't necessarily a valid viewpoint.

  The grandiose and extensive schemes often satisfy bureaucratic ends, but miss the point in terms of people and their needs.

  Different priorities have to be established and attitudes must be altered. When the largest numbers of the poor are self-supporting progressive means should be found to strengthen their position by alleviating some of the distress created by goals made unreachable due to lack of developed resources such as education and not from the lack of ambition or initiative.
- of. Opportunity need not carry a high price tag. Planners are, however, frequently trapped by their own utopian thinking.

  When programs are formulated statements are made about the need to assess and implement on a universal scale which is absurd and impossible. For all practical purposes it would be more economical to establish and gradually develop a variety of small localized projects related to a need which could be expanded to a more

- universal scale if they proved successful as smaller projects.

  Many such small operations could be identified if inexpensive,
  but time-consuming processes were undertaken involving the poor
  in planning programs for their own future. One such exercise was
  undertaken in deriving the material for this brief.
- 67. Discussion is an inexpensive tool which in time can create some very dynamic and far-reaching plans. People, especially those who are disadvantaged, need to be provided with the opportunity to meet together to share their ideas and experiences. They have the right to participate in the resolution of their own destiny and yet they are seldom consulted. Far too many plans and decisions are administratively handled on behalf of people which gives rise to superimposed often ill-fitting answers and arrangements which are incompatible with the interests of the people. The fact is frequently forgotten or conveniently set aside that people are quite capable of acting on their own behalf if given sufficient information. It is assumed that the poor, because they are not articulate and rhetorical, do not have the skill to intercede in situations and react appropriately. These assumptions can be proven to be excessively faulty.
- formidable and gigantic social system. They remain silent due to their sense of inadequacy at defending positions which are made to seem meaningless when balanced against the established concerns of the more affluent population. The largest and most difficult barrier to assail is the social barrier which exists between the poor and the comfortable others.

- 69. More emphasis should be placed on drawing people together to tackle the social concerns of all groupings in our society. This would have a two-pronged purpose. Firstly, it would provide a breeding ground for many need-related program ideas which could be funded and expanded at a community level or extended further. Secondarily, it becomes a social outlet for people who are restricted by their environment and lack of natural outlets from gaining extensive knowledge and information. Ideas are gathered by all participants which can be put to very effective use. The process becomes an effective service and an equally efficient method of learning.
- This approach to the problem of poverty should be used more widely to involve people who are directly affected in the planning process to insure that programs will be valid and need-related. To illustrate the nature and effect of the process, we have chosen to include the minutes of our group sessions for examination. The viable nature of this type of planning we feel is self-evident and could be effectively incorporated into the social planning process.
- of the recipients of homemaker and day care service from the

  Family Eureau requesting their participation in stimulating some

  special action related to the continuation of both programs. The

  text of the attached letter indicates the purpose of the initial

  meeting and the material following will clearly indicate the broad

  spectrum of concerns which our action committee considered and

  discussed in the preparation of material for this brief.

## Action for Special Services

72.

"As a family who relies on special services from the Family Bureau, you have been aware of the changes which have occurred in both the homemaker and day care departments. Although your family is still receiving service there have been many others who have been refused help by our agency.

73.

By way of explanation and to indicate the true nature of the problem, we should state that for many months this agency has been faced with a forced reduction of service to the community. This has been caused by the fluctuating policies of the Department of Health and Social Services for the Province of Manitoba who provide the monies which finance special services. Between April 2, 1969 and February 1, 1970 our agency has not been allowed to provide special service to any of the families who have requested this help.

74.

As of February, 1970 the situation has eased a little, and we now are able to provide service to a limited number of new families. The number is small, however, and definitely does not present much opportunity for this agency to expand enough to meet the widespread community need.

75.

As an agency we believe that special services are valuable and essential, and we can present numerous examples of how important it has been to have a homemaker with a family during times of personal family trouble or to have a convenient day care plan. We

77.

79.

80.

believe, due to your familiarity with our program, that you have a point of view or opinion about the importance of reliable and broadly available special services to express as well.

76. It is important that you express these ideas to the government and the community for it is vital that the significance of special help to families be drawn to the attention of the people who can do something about making these services more available.

A definite issue exists and it should be dealt with directly and aggressively. The question which needs to be asked is 'Why are special services not available to everyone?"

78. The present system needs to be challenged and the need for more extensive special services defended.

This can occur if enough individuals express their support and concern. As a starting point, a meeting has been arranged for the evening of March 17 at 8:00 p.m. to be held at the Family Bureau, 264 Edmonton Street.

The purpose of the meeting is to discuss what is needed by families in distress and to try to discover ways of making things happen regarding these needs.

Usually we all feel powerless as individuals, but as a group of concerned individuals we could state our ideas with more impact.

Therefore, it is important that you consider attending this meeting and that your concerns be expressed. The goal is to draw together all our ideas

into a cohesive point of view which in turn can be presented to funding bodies and others to promote action."

### A DISCUSSION OF THE CONCERNS OF LOW INCOME FAMILIES

- Provincial Department of Health and Social Services, the need for some protection was a justifiable concern.
- which they as a group could undertake which might be effective in having their concerns expressed to the most influential persons. The main goal of course was quickly identified which was to voice our opinions to the Provincial cabinet minister in charge of these programs. At this point, however, ideas were quite diverse and no-one felt prepared to tackle this step immediately.
- present material to the Senate Committee on Poverty. The purpose of this exercise being to acquaint the federal authorities with our programs and our concerns as expressed by the users of special services. This seemed to be an important and feasible step as the Canada Assistance Plan, which is a federal government plan, is used to figure both the homemaker and day care services in

this province. If our financial base was being restricted this was one of the groups with whom our questions should be raised.

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- 84. The second idea was to establish an advisory committee for the two departments which could be consulted regarding the planning and use of the programs. This would be an attempt to perfect both programs and make them more relevant.
- 85. It was decided that a smaller steering committee would be struck which could proceed with preparation of material for the brief and which could also discuss the potential directions of future action. There was enthusiastic discussion throughout the session and at the end of the evening twenty people expressed deep interest in pursuing the discussion further.
- 86. Subsequent to this session weekly meetings were begun with the steering committee which was dubbed the Action Committee for Special Services.
- are and homemaker, and includes sole-support parents and members of complete family units. All have experienced some distress or family breakdown which requires them to use special services. As a group they represent an income range of between \$3,000.00 yearly and approximately \$7,000.00 yearly. The average family size is five members and the median income falls around the \$5,000.00 mark. The group for various reasons represents the low income group and are closely aligned with the concerns of those who have to subsist on minimum incomes. Many of the members are living just above or below the poverty line when their individual family size and income is considered.
- 88. The following documentation provides a detailed account of the points which they feel it is significant to consider.

#### ACTION COMMITTEE FOR SPECIAL SERVICES

#### Minutes of Meeting Held March 24,1970

- 89. Mrs. Grabon, Mrs. Innes, Mr. & Mrs. Campbell, Mrs. Hogan, Mrs. Richards, Mrs. Demianyk, Mr. Penwarden, Mrs. Seimans and Miss Briscoe attended this first meeting of the steering committee.
- 90. The meeting began with a replay of a portion of the tape of the previous week's meeting after which the members of this session introduced themselves.
- 91. It was decided that the election of a chairman for the committee should be postponed until all members had become acquainted with each other. It is expected that officers for the committee will be nominated and elected within the next month.

  Until this is done Miss Briscoe will act as interim chairman.
- She feels that persons outside of the existing committee membership are greatly interested in attending meetings such as this
  and participating in the planning process. Whether it is
  appropriate to allow these persons to attend future sessions was
  opened for discussion. It was decided that this would be premature at this point, but at some future time it would be quite
  advisable to expand the committee. The committee also felt the
  need to further define its purpose, structure and goals before
  others were included.
- Program and the dilemmas it faces as this was not adequately covered in the previous session. Mrs. Demianyk contributed this information and answered questions.

- presented in response to a question and the need for further information regarding the Canada Assistance Plan and the Provincial Department of Health and Social Services Special Dependent Care legislation and program. It was requested that this information be available for the next meeting. Also the outline of the requirements for submission of briefs would be made available.
- Audit in the area of homemaker and day care services were raised and Mr. & Mrs. Campbell agreed to review this volume and attempt to report on it at the next meeting. The committee expressed general concern about the utility and the effect of one centralized service and expressed some concern that the present standard of service would decrease if such an agency were established.
- 96. The suggestion was made that the committee could direct its attention at drawing together a recommendation for presentation to the provincial funding bodies. No decision was made.
- Much time was spent on defining the purpose of the committee and it was decided that the immediate goal would be to formulate a comment which could be presented to the Senate Committee on Poverty. This followed from the planning suggestions made in the previous meeting. The committee agreed and decided to proceed by having each committee member create a letter regarding their personal situation focussing on the benefits of the service received. Several sample letters were reviewed by the members. It was decided that the first step would be to notify all committee members and request their co-operation. Miss Briscoe

agreed to contact each member by letter and Mrs. Campbell assumed the responsibility of making personal calls to each member. Lists of committee members were distributed to all present.

- 98. Several areas were discussed which the committee felt should be further explored and which could evolve into concerns to be presented in the brief.
  - The special needs of the low income family related to special resources such as dental care, optical care etc.
  - The greater benefits to the family of day care as compared to day nursery service.
  - 3) Children's camps and their limited availability.
  - 4) The benefits of support programs such as homemaker and day care in preventing serious breakdowns in children.
  - 5) The need for better co-ordination of social services, especially as they relate to children.
  - 6) More emphasis on the need for Big Brother and Big Sister organizations.
  - 7) Education programs in the area of family life, consumer affairs are required.
- 99. The major point of emphasis was that special support services are essential and should be continued and expanded. An interesting concept was developed around the central theme that those who receive service could repay the community by volunteering to help others in need—a mutual aid program!
- 100. It was decided that meetings should be held weekly and the next meeting was planned for Monday, March 30 at 7:30  $p_{\bullet}m_{\bullet}$

104.

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101. Mrs. Innes volunteered to do any typing required by the committee. Meeting adjourned at 10:00 p.m.

102. 'Dear Committee Member:

A meeting of the Action Committee for Special Services is scheduled for Monday evening, March 30th at 7:30 p.m. at the Family Eureau, 264 Edmonton Street.

As this is the second meeting of the committee,
we are planning to discuss further the present
situation regarding homemaker and day care services.
To do this more adequately, it was decided that
everyone receiving help from either program should
submit in writing their impression of what service
has meant, how it has helped, what would have
happened if service hadn't been available and ideas
about any lack or difficulties that might still exist
even though you are receiving help.

The committee members feel these personal
expressions of what help has meant would provide
an excellent basis for a presentation to the Senate
Poverty Commission as the letters would clearly
indicate the value and importance of these special
programs.

105. The committee also hopes to identify several points relating to the special needs of families and children which are not currently being planned for or met. The idea is to discuss these further in the committee meetings and document them for the brief or for future presentation to local government officials.

106.

As it was decided that the immediate goal of the committee is to draw together material for the submission to Ottawa, we also plan to discuss what requirements have to be conformed to in preparing a brief of this kind at this meeting.

107.

We hope to see many of you at the meeting, however, if you cannot attend but have been able to draw together your ideas in letter form, as the committee has requested, please mail the letters to Jackie Briscoe at the Family Bureau."

# Minutes of Meeting Held March 30, 1970

- 108. The second meeting of the Steering Committee convened on this date and the following members were present: Mrs. Siemans, Mrs. Popowich, Mr. & Mrs. Ralph Dederick, Mr. Bowen, Mr. Russell, Mrs. Hogan, Mrs. Richards, Mrs. Innes, Mr. & Mrs. Rod Campbell, Mr. Solodiuk and Miss Briscoe.
- at the first session of the committee and there was an evaluation of the decision to proceed with formulation of material for the Poverty Commission Brief. Various members had attempted to draw their thoughts together regarding their special services help but were having difficulty establishing the significant points.

  Guidance was asked of the committee in defining the criteria to be used in drawing together the ideas for individual letters. After much generalized discussion and close perusal of the letters already prepared for the committee, three areas were selected for inclusion in each letter. The reason for receiving service and the lack of private resources (not only financial resources) should be indicated. The supportive aspect of having a specially selected

and supervised plan should be identified. The personalized and therapeutic nature of the agency contact should be discussed.

- 110. The use to which the letters would be put was further discussed and it was decided that one generalized submission would be drawn up from the content of the letters, and that the letters would be appended to this.
- 111. The committee then began to concentrate on the requirements for a submission and copies were distributed for examination. These were to be reported on at a later meeting.

  Along these same lines the committee began to question what concerns they, as a group, really had.
- income family and the poverty lines were reviewed. In addition a couple of the members who had been looking at the Social Assistance legislation showed the comparative budgets of a low income earner and a welfare recipient. This comparison was extended to show that it costs less to maintain a wage earner on a homemaker or day care program than to enroll this same person on welfare. The point was made that welfare dollars could be better spent if channelled into supportive special services than into direct welfare payments. The qualification was quickly drawn that this statement would apply to those persons who are able to become employed, but fail to do so due to a lack of an adequate child-care arrangement and become welfare recipients.
- 113. Several committee members stressed the importance of being self-sufficient and independent, however, it becomes increasingly difficult to manage the family expenses if you are a low wage earner. This applies especially in the area of rents which most people find are too high and can't be met by their

limited resources. Supplementary services like optical, dental care etc. were stressed as being beyond the budgets of many families even though they are essential. The inability of the lower income group to obtain mortgage money also was brought to light as a circumstance that could stand some investigation.

1:73

- 114. It was generally felt that broader advantages needed to be provided for the low income family to enable them to maintain themselves adequately. A question was broached by Mr. Dederick, "How do we get these extra services? Who do we see?"
- Service Audit and the committee discussed some of the pro and con positions as regards a centralized homemaker day care agency. No concensus was arrived at except that the members were able to identify the aspects of service which they felt were significant and should be maintained in any service such as this. The idea of a future presentation to the Province of Manitoba related to this area was discussed as a means of insuring that these aspects would be considered. As a future goal this would be quite conceivable, however, the committee felt its immediate priority was the brief to the Senate Committee on Poverty. It is felt this will have little impact, but it was indicated that the members felt it was an important first step.
- 116. It was decided that work should begin on drawing up the submission within the next two weeks in order to meet the deadline.
- 117. Copies of the Canada Assistance Flan Annual Report
  which outlined the criteria of the plan were given to two members
  for review, as were copies of the outline of requirements for a
  submission and the Social Service Audit.

- 113. The Committee decided that meetings should continue to be held weekly, but that the days be alternated between Mondays and Tuesday to enable as many people as possible to participate.

  The next session was set for Monday, April 5 with the following meeting being held on Tuesday, April 14.
- 119. Meeting adjourned at 10:15 p.m.

### Minutes of Meeting Held April 6,1970

- 120. Present at the meeting were Mrs. Campbell, Mrs. Popowich,
  Mrs. Innes, Mr. Solodiuk, Mrs. Hogan, Mrs. Richards and Miss
  Briscoe.
- submitted for perusal. These related to the experiences and impressions of families using homemaker and day care services and concentrated on what these individuals viewed as important aspects of both programs. The committee expressed interest in obtaining as many of these individual statements as possible by April 14th to facilitate the drawing together of material for the submission to the Senate Committee on Poverty. It was suggested that letters, requesting the co-operation of all those persons who attended the initial meeting, be sent. These families would be asked to submit their views in written form to be included in the text of the submission and appended to the finished document.

  Miss Briscoe agreed to have this done.
- 122. A question was raised regarding the best means of notifying committee members of meetings and it was decided after discussion that a brief notice sent to each committee member in advance of the meeting would be the most effective means of advising members of meeting times.

- 123. It was also decided that minutes of the meetings would be made available at each meeting for examination, but that it was not necessary to circulate copies of the minutes to each committee member.
- During the meeting, numerous topics were raised as areas of concern to the low income family. Major emphasis was placed on the exorbitant and restrictive costs of prescription drugs. The feeling was expressed that Medicare services relating to provision of free drugs should be extended to low income families and that facilities such as Mount Carmet Clinic should be extended to the broader community. Related to this was the expressed need of more adequate information regarding low cost resources for drugs and other associated needs. The opinion was voiced that social workers and agencies should be better informed and responsive to this need for knowledge of resources by families and individuals.
- families have in obtaining economical food outlets. A suggestion was made that the "buyer's club" be investigated as one means of people acting as a co-operative to obtain low cost goods.

  Amalgamation to obtain more bargaining powers was of interest to several members of the committee. The generalized inability of the low income family to obtain furniture and household goods at retail rates gave rise to various suggestions of ways and means of obtaining articles that are second-hand. There is constant concern about stretching the budget to obtain essential articles.
- 126. Parallel to this is the question of lower rents and broader tenant rights. A point was made by Mrs. Innes that a

central registry of low rental resources and an up-to-date listing of locations within the financial reach of the low-income family was needed in this community. Several examples were provided of landlords discriminating against sole-support mothers and families with children. The committee agreed this area needed examination.

- 127. In discussing the situations faced by the families
  using the homemaker and day care program, it was clearly stated
  that these services should be made more broadly available. Each
  member present indicated they personally knew of at least one
  other family requiring such help and not presently getting it.
- 128. Mrs. Hogan and Mrs. Popowich both mentioned the need of summer employment for teenagers. The age group concerning them were the 15-17 year olds. Both were suggesting the possibility of involving these teens in volunteer work or paid employment. A suggestion was made that the committee might try to formulate a summer project which would include the teens as helpers with children enabling sole-support parents or others with family responsibility to enjoy an outing as a group or as individuals.

  The response was favourable but no definite ideas were formulated.
- During the meeting Mrs. Richards made the observation that evenings such as this one had a secondary benefit in that they provided a social outlet. She suggested that the committee give consideration to organizing a monthly "bitch session" which would be open to others. This would provide a social contact, a chance to ventilate beefs and also an opportunity to have some fun. The committee members enthusiastically agreed and decided to work out the details of an event like this over the next two weeks. They agreed this should be postponed until after the

material for the brief was completed and arranged tentatively to have the first open night in May.

- 130. The committee was asked to consider a request on behalf of an outside resource person, Mr. Jack Ferguson, from the Department of Youth and Education to attend the meeting of the committee scheduled for April 20. The purpose of this encounter would be to present information to the committee on the homemaker training course currently being given at Red River Community College and to discuss the possibility of the committee becoming involved in the future negotiations with the Canada Manpower Centre regarding continuation of the program. This would be an opportunity for those persons who are directly involved in the homemaker program to express their opinions regarding the need for an efficient, high calibre service manned by competent and trained personnel. The committee greeted this as an excellent idea and agreed to have Mr. Ferguson attend on April 20, at which time a definite decision can be made by the committee about their direct participation in this course of action.
- 131. Meeting adjourned at 10:00 p.m.

### Minutes of Meeting Held April 14, 1970

- Mrs. Innes, Mrs. Fowler, Mrs. Richards, Mrs. Popowich,
  Mr. Russell, Mrs. Campbell, Mrs. Grabon, Mr. and Mrs. Dederick and
  Miss Briscoe were present at this session of the committee.
- 133. Minutes from the previous meetings were distributed for perusal and correction if required. All members of the committee felt the minutes were quite complete and further, that the content could offer some valuable guidelines for preparation of the material for the brief.

- view of service were submitted and reviewed by the committee. It was agreed that the content of these missiles was excellent and gave a representative picture of the two service areas, day care and homemaker. The committee is firmly convinced that these letters should be submitted in their original form as they indicate more clearly the enduring need for specialized family care services than would generalized material in the form of a depersonalized brief.
- members that two major and rather basic concerns were uppermost in the minds of all those persons present at the meeting. These are children and money. Most feel that the cost of providing the tangible goods and services essential to the good growth of the family and its members is far in excess of the dollar and cents income of the family. It's a constant struggle for the low income family to meet everyday expenses. Any demand beyond this creates strain on the family budget and occasionally severe distress as in the case of contracted debts which are established by some families to compensate for a low income by giving them the purchasing power to provide extra goods and service for the family.
- an adequate and universal income base for families, but were unable to define a position. The possibility of a welfare supplement program for wage earners and more expanded public programs to provide basic services which are presently the responsibility of each private individual were advanced as directions which should be investigated. For example more

comprehensive community-based and financed dental service to children and broader access to homemaker and day care service to enable more people to become gainfully employed instead of vegetating on welfare were seen as potentially positive steps towards alleviating some hardship and providing more realistic aid to families.

1:79

- 137. The committee felt that greater emphasis should be placed on preventive and rehabilitative programs in the welfare field generally. They emphasized the fact that both the homemaker and day care programs had these components and should therefore be expanded and their growth fostered.
- advanced as focal points for the discussion, children and money.

  All felt that work and the independence which this affords was important but the income derived is seldom sufficient to support a family totally. At a certain point it becomes more beneficial to relinquish the job and become dependent on welfare. This point occurs when the family income is unable to stretch far enough to pay for all of the requisite services required by the family members. Whereas, the welfare department will pay for everything once the family is enrolled which is a marked advantage for many low income earners who have become frustrated and scarred by their progressive inability to cope with the increasing standard of living.
- 139. This becomes more pointed when we examine the difficulties faced by the parent without a partner who has to meet child care costs as well as all of the everyday family expenses. For this family government subsidized programs such as homemaker and day care are dramatically beneficial. They allow a parent to

maintain an important degree of dignity by becoming and remaining self-supporting by providing the reassurance of adequate child care plans. Further it frees the family of the crippling expense of providing their own private—and often inadequate help and it allows a rechannelling of dollars into direct family support.

- to the standard of living and the committee members illustrated several by disclosing their personal difficulties. The purchasing and maintenance of furniture and appliances was listed as a very great problem; one which often causes the low income family to sink into debt. There is a great need for adequate consumer information low cost appliance sezvice depots, and other specialized services. Receiving high priority in this discussion was the question of credit buying, credit ratings and debt counselling.
- 141. For several of the single parents around the discussion table, the problem of not being able to obtain credit due to previous difficulties in a now defunct marriage was raised as an issue. Many had to struggle for several years on limited income before being granted the most minimal credit. This fact has made it impossible for many of these families to purchase essential household goods. They have had to rely on donated goods from others or have had to remain deprived of these items until small amounts of capital had been saved for the purchase of the goods. This type of hardship is felt to be typical of the low income working family who have little or no entre into the community's economic system.
- 142. In most communities with a middle class orientation there is the added factor of subtle community pressure to conform to certain standards. If the family cannot do this the parents and children often bear the brunt of ridicule and ostracism for

their failure to conform.

- how they would be able to compile a report dealing with such diverse areas which would be comprehensive enough to stimulate some action. It was suggested that the several points outlined in the minutes of the first meeting could be the outline for the brief. Upon review of this section the committee decided to proceed on this suggestion. The following topics were identified and assigned to individual committee members who would draw together the relevant points and issues in a generalized fashion. Each of these summations could then be drawn into a completed document and appropriate references to the individual letters included.
  - Special Resources service required by the low income family and comments on their availability.
  - Information services lacks and requirements for specialized information and education.
  - 3) Children's Services special needs relating to different ages such as supervised recreation, Big Erother etc.
  - 4) Homemaker Services the benefits of such programs and their relevance to the community.
  - 5) Day Care Services as compared to Day Mursery Programs the benefits and lacks of both programs.
- 144. Mrs. Richards agreed to draw together some points and information on areas 1 and 2. Mrs. Popowich and Mr. Dederick will compile reports related to item 3. Mrs. Popowich will discuss the special problem of teen children who are unemployable and footloose and Mr. Dederick will discuss the use of amalgamation and cooperative endeavour between low income families as a means of

formulating and providing or ganized activities for families and children. This would emphasize the sharing of resources and expense and the giving of time. Mr. Russell and Mrs. Campbell are planning to draw together some thoughts on homemaker service, stressing the existent need for immediate, consistent and personalized help. Mrs. Innes and Mrs. Fowler will illustrate the effectiveness of day time child care plans and the existing pitfalls in present programs. Mrs. Grabon is quite concerned about the lack of adequate debt counselling service and is going to prepare a presentation on this for the brief.

- 145, Several consistent beefs were raised about the availability of service to the average citizen. Most committee members have had the experience of requiring a social agency referral in order to obtain free or low cost service. This should be questioned and broader knowledge and applicability of resources established.
- 146. The importance and significance of co-operative and mutual self-help was quite prevalent in the discussion and a special summer project was planned. Mr. Dederick will act as chairman of a special committee to begin organizing this. The project will be focussed on planning special summer weekend outings for groups of families and children and could be expanded into other co-operative endeavours.
- 147. The first monthly "bitch" session is to be considered for May, but no definite course was set.
- 148. The content of the next meeting relating to the purpose of Jack Ferguson's visit was discussed. Material relating to the homemaker training course which he's co-ordinating under the auspices of the Department of Education

was circulated for examination prior to the discussion.

- 149. The committee decided that the material for the brief should be ready by April 28th at which point it can be put into the final form for the brief.
- 150. Meeting adjourned at 10:30 p.m.

## Minutes of Meeting Held April 20, 1970

- 151. Mrs. Richards, Mrs. Hogan, Mr. & Mrs. Campbell, Mrs.
  Innes, Mrs. Fowler, Mrs. Popowich and Miss Briscoe were present
  at this fifth meeting of the Action Committee. At this session
  two guests, Mr. Jack Ferguson and Mrs. Tee Somers were also in
  attendance.
- drawing near, the committee spent considerable time reviewing their positions regarding their assigned study areas. The topics were reviewed for those who hadn't been present at the previous meeting and additional information in the form of written comment submitted by committee members was presented for consideration.
- board committee for the agency who originally planned a presentation to the Senate Committee on Poverty, had decided that the Action Committee should undertake to construct and present the brief in its entirety. This decision was made on the basis of the comprehensive nature of the action committee's work to date. It was further felt that the comments of this committee were more relevant and to the point than the ruminations of the staff-board committee. It was indicated that the task of preparing the material was therefore much greater and greater care would have to be taken in making the discussion of the preselected points clear and definite.

- Much discussion was provoked between committee members all of whom were concerned about the perspective within which the various topics should be presented. This was accompanied by a brief discussion of the formulation of a preamble to the committee's material. Questions were also raised regarding the format and style of the finished document. As these were related to the drawing together of the material in its finished form, decisions were delayed until the next meeting which was also set as a deadline for completion of the material being written by the members.
- 155. Mrs. Campbell, who is preparing material on the use and effectiveness of homemaker service felt unclear about how to proceed in dealing with the broad area of community need for such help. Several members volunteered suggestions such as the numbers of persons known to each of us who require homemakers, but have been unable to receive the help due to the limitations of the number the agency can serve. The fact that often the decision not to provide service is related to superimposed budget restrictions should also be examined. In the early stages of the committee's progress the cost-sharing arrangements under the Canada Assistance Plan were discussed and that information was again drawn in as a point requiring further discussion. Homemaker service is viewed as essential in many instances and it is the general feeling of the committee that immediate and extensive advances should be made in making this program available to larger numbers of the public.
- Day Care services were approached in a similar fashion and the special benefits of such programs to the sole—support parent were pointedly presented. This too is a program which is

financed on a cost-sharing basis under the Canada Assistance Flan: one which should be expanded far beyond its present limit of approximately 40 families. The benefit to children of a complete family milieu during the daytime hours fills a gap in the child's experience which cannot be accomplished by a Day Mursery. The reliance of a single parent on a consistent and stable plan which meets her needs is the dominant point to be made.

- of the young teen child, Mrs. Popowich is attempting to explore the educational, recreational and employment lacks that exist for this age group. The major concern is that teens in this bracket have few opportunities and are therefore quite vulnerable. This is a frightening concept when seen in relation to low income, for coupled with the lacks one often finds a dearth of stimulation, much frustration and emotional turmoil and often sufficient provocation to use empty time in all the wrong ways. Lack of income doesn't imply lack of parental concern but it does imply a preoccupation with problems other than those presented by the emotional and social needs of children. To derive this information Mrs. Popowich is interviewing school officials, teenagers and interested others, after which she will compile a report on her findings.
- 158. Housing was raised as a concern from a personal point of view when Mrs. Fowler raised a question about how to handle a landlord who was harassing her. The main issue was related to her rights regarding the handling of false claims of damage to property being made by the landlord. The committee assessed the circumstances as presented and suggested various alternatives.

The most significant point, however, was the strong support offered by the group for the position taken by Mrs. Fowler.

- 159. The group is quite concerned about the prejudice which exists in the community regarding the renting of houses and apartments to sole-support mothers. Several persons have experienced great difficulty finding accommodations due to their status. Mrs. Hogan expanded on this point in relation to the inability of the low income families to secure a building loan or mortgage money through C.M.H.C. If financial resources are not available to such families necessary home maintenance and adequate housing cannot be obtained by the low income group. They are severely restricted due to their inability to pay exorbitant rents and are often relegated to inconvenient and inadequate quarters.
- brief along with some comments on the poor co-ordination of community resources. This latter section relates to the failure of many agencies to handle the difficulties of children in a planful or adequate way. This concern for treatment facilities for children arose from the concern expressed by several committee members about the damage done to children as a result of the disadvantage experienced in their homes. The low income group feels this keenly as they frequently see their children suffering emotional upset or delinquent acting out behaviour in response to the limitations inherent in their environment.
- 161. Related to the numerous points raised in the meetings is the lack of information and the subsequent limitations this places on a family. The success of a low income family is frequently related to good information about cheap and easily

accessible goods. The irony of this was in the fact that the majority of low income families do not have this information available to them. Frequently in the meetings, points are raised which provide a new idea or resource for another member. In discussing the need for broadly available information resources, Mrs. Richards was directed to discuss the skill that must be developed in feretting out special knowledge.

1:87

- In an advisory capacity, the members drawing together information on homemaker service recommended that the agency's homemaker department design a form whereby families receiving service could evaluate the homemaker's performance. This suggestion was endorsed by the committee and forwarded to the homemaker department. Other gaps in service were identified, but left for future discussion.
- 163. The use of the information compiled by this committee was raised and several suggestions advanced. It was felt that the individual presentations could be useful if compiled into a booklet relating to the special service programs. The personal reactions are invaluable.
- discuss their area which is the special homemaker training program. Mr. Ferguson, from the Department of Education, outlined the program and its goals which is to provide the community with a core of well-prepared homemakers. He covered who is eligible for training, how they are selected and how the training course was designed. As this is a pilot project the information derived from members of the committee who are familiar with the homemaker program was important in that it proves the need and relevance of such personnel to the community.

- instructor for the course, and Mr. Ferguson closely regarding the need for this trained group of homemakers and asked if the effect of the training would be to increase the costs of homemaker services.
- During the discussion that ensued it became clear that the personal components in a homemaker's presence in the home take precedence over homemaking skills. Their ability to fit into the family and work co-operatively was also felt to be of great importance. Mrs. Campbell had drawn together the duties and characteristics of homemaker service. These in turn were requested for use in the training course.
- supporting the continuation of the training program, it was suggested that Bob McDonald of Canada Manpower, the co-ordinator for this course within that office, could be invited to talk to the group one evening. At that time the value of homemakers to families and the community could be discussed and directly supported by the committee.
- 168. The committee members decided this would be done immediately after the material for the brief was completed.
- In addition to this a brief discussion was obened by

  Mrs. Campbell about the number of people who had been refused

  service by the agency between April, 1969 and February, 1970 when

  the homemaker and day care programs were frozen by the Provincial

  Government. It was revealed that of the approximately 125

  persons contacted, 62 wished to meet publicly to discuss the

  lack of homemaker and day care services in the community.

  The committee expressed interest in meeting with this group as

- well to obtain the other perspective ie. what happens when no service is available. This also was planned for early in May after the brief is completed.
- 170. Mrs. Richards was asked to visit the homemaker training course as a special speaker in the area of special resources.
- 171. Deadline for material to be presented was established.

  All material must be available by Tuesday, April 28.
- 172. Meeting adjourned at 10:00 p.m.

# Minutes of Meeting Held April 28, 1970

- 173. Mrs. Hogan, Mrs. Richards, Mrs. Grabon, Mrs. Popowich,
  Mr. Solodiuk, Mrs. Campbell and Miss Briscoe were present.
- 174. In accordance with the decision arrived at during the last meeting, this session was devoted to reviewing the content, format and presentation of the brief to the Senate Committee on Poverty.
- of homemakers and the need of the community for such programs.

  As Mrs. Campbell had recorded her comments the entire group reviewed the material and decided it was acceptable. The letters which would expand the points made were selected and the entire presentation set aside for inclusion in the brief.
- 176. Mrs. Hogan presented the material which she had prepared on the co-ordination of services which also was found to express the feelings of the committee.
- 177. It was reported that the material to be prepared on the Day Nursery and Day Care Program had been completed but could not be presented as Mrs. Innes was unable to be at the meeting due to illness.

- Mrs. Popowich had been unable to draw her comments together regarding the needs of children relating to special community resources but would prepare the material the next day. Mrs. Richards and Mrs. Hogan also had not completed their material on the lack of resources and the need for expanded service and information outlets in our community and requested the assistance of the group in terms of how to proceed.
- 179. Several suggestions were made relating to the inability of the low income family to locate service easily.

  During the time they are seeking assistance, the costs which they must bear create enormous financial difficulties. Examples were offered especially in the area of information about medical services, some of which are free in one location but require a fee if provided at another source. People have difficulty finding exactly what they are entitled to at no charge.
- 180. Many resources although known to people require the authorization of an agency worker. This procedure was questioned as it was felt persons needing these services don't always have contact with a worker or an agency. What happens to the relatively isolated family in the community who have few contacts with anyone? How are they able to obtain or locate resources?
- 181. Other directions which should be examined relate to tenants' rights, the proliferation of services with little information about any of them, credit, family planning, etc. It was remarked on by Mrs. Richards that few people knew what the services of the Public Health Department were. This indicates the poor communication that exists even regarding public services.

- 182. It was decided that Mrs. Hogan would attempt to draw this material together for the brief. Information already prepared was found to be acceptable and the format of the brief was outlined and agreed to.
- 183. Two questions were raised about material to be included.

  Firstly, the question was asked if names should be included with
  the personal presentations of committee members. All members felt
  that names should be attached to verify the authenticity of the
  material. Secondly, items about finances of families etc.

  were authorized for inclusion. A list of the names of committee
  members is also to be attached to the brief.
- 184. The committee expressed interest in having the brief presented personally, however, this was finally seen as being a little unrealistic due to time and distance. It was suggested that the material might also be effective if presented in relation to the special services to the Provincial Minister of Health and Welfare, René Toupin. This was set up as a goal to be pursued in the near future.
- 185. Mrs. Campbell raised an issue relating to camping facilities. She indicated she knew of a person whom the committee might like to talk to about the problems everyone is facing in trying to obtain camp plans for their children. The committee showed interest, but postponed any definite action until several weeks from now.
- again, the bitch session and the volunteer summer program for families. Mrs. Richards is to begin planning the bitch session with the committee at the next meeting. Mr. Solodiuk raised the volunteer program and indicated he knew of several persons who

would act as drivers if we are going to proceed with the project.

He agreed to act with Mr. Dederick on the planning committee.

- 187. The question was raised about advising other members of the group about the work and plans of the committee. A newsletter to the rest of the group was suggested as a means of distributing these ideas. The committee will consider this at the next session.
- 188. The next meeting was set for 7:30 p.m. on Tuesday, May 5 and a notice is to be sent to all members of the committee.
- 189. Meeting adjourned 10:15 p.m.
- Committee felt it important to stress. These statements are representative of the low income group, or the working urban poor, and the ideas presented are geared to enabling people in this social situation to provide more adequate standards of living for themselves and their families. The comments serve to outline as well some more specific family support systems which are required to be provided in a more far-reaching manner than at present.

We respectfully submit our comments.

#### RESOURCES AND INFORMATION

resources and the lack of knowledge about how to use special subsidizing programs severely restricts the low income family. Many times needs arise which cannot be met due to the lack of an amount of money sufficient to meet the cost and no awareness of possible alternate and often free resources.

available to this group and information regarding their existence should be widely distributed. Centralized information services need to be established which could provide ideas about ways and means of operating effectively within a restrictive economic and social system. Many-facetted community education should become a major focus of conventional and tradition-bound service resources. Progressive isolation and deterioration is occurring at all levels of society and for those who cannot buy private resources to alleviate these problems it is essential that alternate programs be provided to relieve the pressure.

193.

"Our family would not have had to face such hardship had there been some sort of insurance available for medical prescriptions, dental work etc., at a reasonable rate or if the penalty when a bill was a day or two overdue hadn't been so high. There is a fantastic restriction on being able to get any advice or information and little information available about where one could obtain help in an emergency. There would not have been such a serious breakdown, physical and mental, in myself and the children if these services had been provided to us as a low income family not able to obtain them through regular channels.

194.

If we would have had a homemaker in our home when I was first rushed into the hospital for surgery or even preceding surgery much trouble could have been avoided. Because we had limited income at this time my eldest daughter had to work evenings

and weekends to keep herself in bus money, lunches, nylons etc. Having two going to high school the expense was too great for us to manage. She later had to quit school and work to help the family financially. The second eldest missed a lot of school as she had 3, 6, 8 and 12 year old children to tend in my absence. There were times when the three year old could not be left anywhere. The furnace was hand stoked and would often go out so the house would be ice cold with the result that colds, flu, throat infections were with them constantly. There were no funds to purchase penicillin to ease things. Fear and anxiety were with them constantly and nightmares would plague them. This was so for two years.

195.

Each child has a heart defect, nervous condition and must be on drugs. Dental, eye care, and corrective shoes are all required and provide a very great strain on a limited budget, as well as personal worry. These are needs which are frequently not met because they cost too much, even though they are essential.

196.

Recreation is also very limited due to the lack of funds. We try and encourage our teeners to have their friends come and sit around at our home. I have yet to meet a teenager who has not treated me well. They are helpful and willing and I enjoy their company but as our house is very limited in space and privacy there are seldom many at a time. An occasional

movie is a treat but dances are out as the users of drugs are present and fights occur. Our teen children don't want to be hooked on anything which seems to be so easily done.

197.

School creates a tremendous amount of pressure for the children as well for the academic courses take too many years to complete and some lead nowhere. Many subjects that have to be taken have no bearing on the field the teens are expecting to enter yet these have to be learned and passed. The frustration is so great some give up for they wish to be independent. Their work experience is nil but they are willing to learn. Very few wish to take the time required presently for training so how can one expect them not to rebel.

198.

Why does one have to wait until the children are delinquent or require counselling or admission for treatment or have probation officers before there is even a limited amount of help provided? The children are the future, how can they care if not cared for?

199.

The younger children are also restricted in recreation as some have a fear of leaving home and things familiar to go to camp. Day camp is more suitable for mine as they have the security of sleeping in their own bed at night. The health defects are a worry for them and they are very sensitive that anyone should know. Last summer two girls attended day camp and it was a blessing to see them happy. This year it is very doubtful that this

will be available again because of a lack of information, restricted outlets of assistance and unreasonable rates.

200.

The inability to find work for the teens is also a problem. Their income is often needed in order to help out the family. They are willing to work but where are the jobs? Can there not be shorter courses available to train them for specific jobs while still in school? I appeal to employers all over, give the teenagers a chance to earn their way through school or learn a trade in order to be self-supporting.

201.

In closing please in heaven's name take the limitation off the day care and homemaker services. Give the people a chance to survive and try to live decent lives. Don't wait until they are beyond help.

202.

I know what it means to have the Family Bureau to stand by us. The kind and patient understanding they have given our family is priceless and without them we are very doubtful that sanity would still prevail. I would ask that people be more informed on the specialized services like the Family Bureau. They provide expert counselling between parents and children and one can talk to them and be sure everything is held in strict confidence. They don't set down do's and don't's or make you live by this rule or that. They are humans who care. It must not be too easy for them, but carry on they do - bless them. Every person has their own special needs, this the workers understand. All we need is a helping hand

in times of stress so we can help our children and others and safeguard the future of tomorrow."

- 203. It should be noted that for the "resources-poor", adequate personal counselling is considered to be essential.

  This points at the need on the part of many low income families for the help of skilled others in reaching a point of internal equilibrium which would enable them to gain the strength and confidence required to proceed along any course which would alleviate their distress. The low income family needs more than just someone to sort out the maze of available physical resource outlets.
- 204. For people who have suffered the constant humiliation of never being able to participate in or contribute to the community the internalized anxieties and pressures often prevent them from competently handling such mundane matters as the budget, child discipline and home maintenance. Assistance in sorting out needed priorities is required but it should be coupled with the strong support of another interested and knowledgeable individual who can advise and guide. The poor family often needs help in overcoming the barrier of fear associated with unknown and therefore quite foreign resources.
- 205. More consideration should be given to the basic human needs of the poor and not just the external problems of being poor, for the state of being poor demands an emotional price which must also be handled and combatted.

### CREDIT PRACTICES, CONSUMER AFFAIRS AND DEBT COUNSELLING

- when coupled with an inability to accumulate sufficient funds at any single point to reduce the accrued expenses. Certain legis—lative measures such as the establishing of the Orderly Payment of Debts Court have been implemented which partially reduces the pressure. However, inherent in this process are certain limiting factors such as limits on eligibility for the court service if debts are in excess of certain limited amounts, and the loss of the ability to obtain credit for many years after using the court program.
- 207. For low income families credit with all of its pitfalls is an essential evil. Quantities of money are seldom available to purchase large cost per unit goods. Few families at any level can do without items of furniture, for example. The low income family is drawn into the trap of using credit to buy these goods and then the struggle to pay the monthly assessment. One family's experience illustrates the irony of this situation.
- Payment of Debt Court. I am not going to say too
  much, but I was wondering if you don't think there
  should be a few changes. Right now they help when
  debts don't exceed \$1,000.00 and I don't believe too
  many of us get the benefit of it. Because of the
  cost of living of today and that yet to come in the
  future, I feel it should be extended to \$5,000.00.
- 209. Another thing I would like to see changed is this "no money down and pay later" system. It should be changed to at least 1/3 down. This way nobody can

just walk in and charge anytime they feel like it, not realizing what they are getting into, for which he creates another debt. Mind you this may sound or be very maddening, but in the long run we'll all benefit by this.

210.

You must stop and realize that the "below average" and "average" people are the very foundation of metro business for if it wasn't for these people, there wouldn't be use of credit. The business man wouldn't make his interest, "or side money so to speak." So lets respect average and below average people, for they carry the heaviest load of all.

211.

Another thing I would like to request is for debt counselling to be provided again. I'll call it a "special service" to plan your debts and help you get out of debt gradually. We had it before through the Credit Grantors. It was a good system, but really there was no foundation backing it.

212.

When you went un'er this service, you were unable to charge for the next two, three or four years depending on the amount you were in debt and also what your income was. But things like appliances and furniture just don't last that long. If anything went either needing repair or was completely shot, that meant doing without for so many years, but who in the hell would want to wait that long. That means you wind up going back in debt "not that you want to" but necessarily. Then they turn and look at you and say, I am sorry, but we can't assist you with any more

2 + 200

215.

216.

help for you don't seem to be trying very hard on your part. You can't win. I hope you understand what I mean.

service for people in debt set up again, but with a strong foundation backing it so that when you apply for it and put yourself under it things can be attended to. Such things as free service for repairs on T.V. and all appliances should be arranged so that the way of life can go on as you

are getting out of debt slowly.

Also, if it could be made possible to buy out such things as "left-over" material, from the up-holstering companies for recovering chesterfields, chairs and also for kitchen chairs, after all they all last only so long, this also helps the above-mentioned.

I believe also free services can be done by the men in school training programs.

Oh, yes! Bither by donations or buying second hand furniture or appliances, to be used in case something is completely shot "beyond repair", or very badly needed in different cases, where this can be accommodated, this again renders a service to the low income family.

I hope you understand my points. This is my belief about good foundations which are provided so there will be no reasons or excuses of any kind for going into debt.

217.

I believe what I have mentioned could and should be brought back into circulation. Only change the system for the special debt service. This "no money down and pay later" arrangement should be changed to 1/3 down, and also give great thought to extending the amounts of "The Orderly Payment of Debt Court."

218.

You know, at least at the end of six months of counselling, if you took upon yourselves to look at what has been said or sent and if needs were picked up and attended to more quickly, you wouldn't have to face such a mess at the end.

Work yourselves into a routine.

219.

Say to housewives, if you figure your husband's income and allow yourself for food, fuel, clothing, expenses, etc. etc., then you would know what you can afford. Like I said work a routine and you can't go wrong. Don't get me wrong, I am not trying to be smart or funny, just stating a fact.

We need more counselling help on these things.

Thank you."

220. Many concerns exist regarding better credit practices and the need for adequate debt counselling is ever present. Much more needs to be developed in this area for the sake of the low income earner who must rely on credit and still maintain a well-managed stable budget in order to survive.

- is needed in this field is an established fact. The Family Bureau of Greater Winnipeg has been actively concerned with securing protective consumer legislation and over the years has presented briefs to the provincial and federal governments. Now that a significant advance has been made in legislation, particularly in Manitoba, we are concerned that more and better use should be made of the legislation and of governmental agencies and publications concerning consumerism.
- 222. Both low income and medium income families could substantially improve their standard of living with better use of the consumer dollar. We believe too that this problem is of direct concern to this Commission on Poverty. Specifically we propose that there should be central depots where consumer information including the use of credit, sources of credit, budgetting, buying etc. would be available to all people who work with low income families as well as to all families or individuals themselves.
- rights, and responsibilities amongst teachers and social workers people who should be well informed. In the Family Bureau, social workers have been encouraged to attend lectures on family consumer problems sponsored by the Consumers Association and the Extension Department of the University of Manitoba. Unfortunately there is no continuation or follow—up to these courses. It is necessary to make a concerted effort to provide a central consumer depot which would accomplish this by having a file of all available publications for research and distribution and which would also have volunteer workers who could operate a speakers

and helpers bureau to go out to groups of people or clients requiring guidance or information. Unless the government makes an effort to keep agencies and individuals fully informed about new protective measures to correct the imbalance in business-consumer relations that has been allowed to emerge, the new legislation will not have the impact for correction it should have.

- 224. Protection is needed by all groups of people and counselling is needed by many. Emphasis should be put on preventive counselling before families find themselves completely beyond their depth. There is the distinct possibility that adequate counselling on family economics, particularly concerning credit and purchasing, would diminish the number of welfare dollars spent on retrieving cases after the fact. There is much truth in the thesis advanced that welfare dollars spent to rehabilitate a credit casualty support the credit grantor at least to the same degree as the credit consumer.
- 225. The victimization and abuse of those who are unaware, uneducated or incompetent as regards credit-buying and subsequent debt must be controlled. This is a generalized need but one which is certainly grossly accentuated when coupled with inadequate income or a lack of personal resources. The need for a concentration of effort in this area of concern is definitely predicted for the future.

### CO-ORDINATED AND EXTENDED SPECIAL SERVICES

226. In our community there are many agencies providing much needed services to the elderly, physically handicapped and chronically ill, the needy and the troubled and persons requiring help. All are reasonably well looked after. However, services must be

co-ordinated more efficiently than they are at present. By amalgamating, co-ordinating and improving the quality of each of the existing services more direct and adequate coverage of the segment of the community needing assistance would be accomplished.

- bandied about from agency to agency with no-one making a concerted effort to assist in a consistent manner. Part of this difficulty exists as a result of the lack of adequate information at the disposal of the person requiring help. The more significant concern, however, rests in the fact that individual programs often do not fit exactly the needs of the people they are designed to serve. The inevitable result is much shopping around by people in search of a suitable program, which involves tremendous losses of time, with very little result to show for the effort. Periodically one family will hit the jackpot and collect three or four helping persons, but all are doing their own thing with little consideration of how the individual parts are affecting the whole.
- 228. It is not up to the individual who's already under stress to sort out the specialities in our communities. He needs immediate and appropriate aid. This should be guaranteed. The obvious suggestion is that appropriate care should be taken in planning services at a community level to coincide effectively with one another to ensure a complete and satisfying resolution of the problems presented by persons in need. As most low income families are unable, due to lack of income, to choose a course outside of that presented by a subsidized agency it is essential that basic and necessary preventive and support services be made as accessible as possible.

- 229. Our major concern is for the children being brought up in the homes of chronically ill parents, in one-parent families and in the homes of the low-income families. The lack of education and other social ills often require the parents to spend much of their time outside of the home attempting to provide support for the family. A homemaker frequently bridges the gap during these hours of absence and allows the children to experience stability, affection and quidance from an interested adult. Programs able to provide this type of support to families are extremely important and the need for their immediate expansion is extremely evident. Help for shift workers, for example, should be provided which is as flexible as the hours of the wage-earners. Such programs seek to enable continuous employability and prevent the breakdown of families due to excess and unpredictable stresses.
- 230. The Family Bureau of Greater Winnipeg has, to all intents and purposes, the ideal program but limited funds. The Provincial Department of Health and Social Services have the funds but no homemakers. Here is one fairly obvious instance where amalgamation could be ideal. Could they not work together on this?
- Another phase which the Family Bureau and several other social agencies, the Provincial Department of Education and the Canada Manpower Department collaborated on, is a pilot training program for the training of homemakers at the Red River Community College (course completed May 8th, 1970). This is an excellent program as it teaches the women who are to be employed in this line of work how to approach the different physical, mental, income, etc. problems which could arise in any given home.

  However, this project has now to be "sold" to the Canada Manpower

Department. They need to know how feasible it would be to continue the training program before making the decision. Why should there by any hesitation?

- 232. There are many women who are not eligible for other employment or advanced upgrading and training programs who are used to maintaining homes and children and who would be interested in this type of work. It seems we are neglecting a very viable source of employment for a large section of the population.
- able for the families mentioned above, before situations become critical, then there would be more self-supporting families who would then not have to rely on welfare; fewer children being neglected, thereby easing the strain on the child welfare agencies; fewer disturbed children needing the help of the Child Guidance Clinic, thereby easing the strain on their services; fewer delinquents needing the services of the courts, foster homes, group homes and correctional institutions and finally, if we are to go further, the end of jails. Idealistic you say, yes it is, but not impractical.
- 234. If adequate homemakers are placed in homes in time, or good reliable family day care is provided, the end result could be happier, healthier children who will become the more reliable and resilient adults of tomorrow. Programs should be instituted therefore, to ensure that those people, willing to help themselves, have the assistance they require to be successful in their attempts. The main purpose is to save a lot of children and make useful citizens out of them. Think about it!

# HOMEMAKER SERVICES

- 235. The purpose of this statement is to emphasize the need for special homemaker services as supplied by the Family Bureau of Greater Winnipeg. A number of organizations presently provide homemaker service, for example the V.O.II. Home Help service who provide help during the post-hospital convalescence of a patient. This help is provided to a family only if one or both parents are in the home. In effect, the welfare of the patient and not the children is of primary concern. The Children's Aid Society provide service, on the other hand, only if both parents have neglected or deserted the family or are otherwise unable to be in the home. The service is often provided on a 24 hour a day basis. The homemaker service offered by the Family Bureau covers a much wider spectrum of needs, which range from family are for sole support parents, care to the families during the hospitalization and recuperation of a mother, help to handicapped mothers, aid in situations involving a long term illness or breakdown of one or either member of the family, teaching of homemaker skills, to help in other areas of related special need. The requirements for providing a broad high quality homemaker service are many and varied as are the needs of the community for such a program. Amalgamation of agencies providing homemaker service is being explored and it is essential to take into consideration the manner in which the need for special services is now being met by the Family Bureau.
- 230. The committee for special services has met weekly since mid-March and as well as discussing the problems associated with the needs of the community, a number of members have prepared brief resumés of their own cases for use as reference material in

relation to this service. These letters are included to illustrate the benefits derived from the broad provision of appropriate special services such as homemaker help.

- 237. From reviewing the case histories several important points become clear which reflect the importance of homemaker service to the community as well as to the people in need:
- 238. 1. A sliding scale payment system enables the recipients of the service to maintain their pride by contributing what they can to the cost of services given. These services are partially financed under the Canada Assistance Plan and serve to illustrate one of the more effective programs sponsored by this type of federal-provincial cost-sharing.
- 239. 2. Consistent and supervised homemaker service helps provide personal peace of mind as well as actual labour in the home.
- 240. "I am very grateful to the Family Bureau for the service I have received since February, 1969.
- 241. My wife passed away and I have two girls ages 7 and 11 which mean a great deal to me.
- There are a great many adjustments to make when a man finds himself in this position. It is difficult for him to make rational decisions during these times.

  I am indebted to the Social Worker who was assigned to our family. If it wasn't for him, I might not have made it through. He not only visited me at work during lunch hours, but also visited the home to see how the girls were reacting to their new situation.

- I was referred to the Family Bureau by a
  University of Manitoba Social Worker graduate.

  When I went there, I was treated very kindly and
  a personal interest was shown. In a matter of days,
  a homemaker was available to me.
- 244. Although I am able to contribute a fair amount to the cost of the homemaker, it is still valuable to have someone come into your home who has been screened and will best meet your needs.
- 245. The homemakers know what their duties are and if there are any problems on either side, the Social Worker can act as the mediator.
- 256. With this type of service, when the regular homemaker goes on vacation, is sick, etc., another homemaker is sent in her place.
- 247. It is wonderful to walk out of your home each morning confidently knowing that all will be cared for. In this way, you can discharge your office responsibilities efficiently."
- 248. 3. It is commonly agreed that to have the best chance of successfully raising children a stable home environment is essential. A homemaker fulfills this responsibility by maintaining a stable home atmosphere in times of distress.
- 249. For a sole support father who has only daughters, the influence of a competent homemaker is invaluable.
- 250. "I have been receiving special assistance from
  the Winnipeg Family Bureau in the form of a homemaker
  for some 3/5 years. I am a widower with 6 girls

ranging from 12 to 4 years. At the time of my wife's death my oldest was only 8 years, the youngest 10 months.

- I have only one relation (a sister) in the city, she having 3 small children of her own. Therefore it has been impossible for me to look after the children and hold down a job without outside help.

  My income is such that I cannot afford to pay a full-time housekeeper. If I did not have a homemaker I would have to be home myself and would have surely to be on welfare.
- 252. Also, I think anyone would realize the importance of a woman's guidance for young girls entering their teens. A thing that not very many men are equipped to cope with alone.
- 253. Personally, in my case, this service has been invaluable, in that it has enabled me to keep my family together and allowed me to keep being employed."
- 254. 5. Where needs can be anticipated, help of this type should be available as a preventive measure before situations become emergencies which might force families to make unsatisfactory arrangements.
- 255. 6. Help provided to invalids, semi-invalids or others with chronic health problems is invaluable in that it allows the mothers to give their children love and attention which otherwise would be impossible under what would be the overtaxing pressures of a normal daily routine.

256.

"My family consists of myself, my wife, and three children aged 10, 7 and 3. We are receiving help from the Family Bureau of Greater Winnipeg.

This help in our case, is part—time homemaker service for which we pay a fee based on our income.

It has meant we have been able to keep our children with us during a very difficult period of our lives.

Our situation was such that we had no choice, but to send them out of town or ask a family relative to give up a needed job. Certainly, we do not have the resources to pay for domestic help.

257.

In order for one to appreciate fully the impact of this service on our everyday lives I think one must be familiar with our problems - that of health. We found ourselves desperate for help as a result of circumstances as follows. My wife's medical history dates back about twenty years to her first serious illness which was rheumatic fever and from which she was left in weakened condition. Shortly after she suffered a ruptured appendix calling for emergency surgery. Hours later she hemorrhaged internally. The nature of the surgery required to stop the bleeding and repair the damage together with the conditions under which it was preformed probably caused internal troubles which have prevailed over the years. She has had several operations in an attempt to repair early damage and finally, had to have a hysterectomy. Even this had to be done in two stages five months apart. To further complicate

matters we discovered in 1965 - she lost the vision in one eye-that she was likely experiencing the early stages of multiple sclerosis. It would seem this diagnosis was correct because even though her vision returned in 1965 she had a recurrence of the same in 1967 and at the present time she has suffered the loss of co-ordination, most noticeably in one arm and hand. As this is a progressive and incurable disease, our future is not too bright.

258.

My own health background is an important factor concerning our need for help. In 1956, a year and a half after our marriage. I found I had a bone infection called osteomyalitis. It has troubled me ever since and I have been hospitalized on several occasions. I have managed to hold my job as a technician with Canada Agriculture, but I am handicapped to the extent that one knee is stiff and that the disease can flare up without warning. I must take care not to get over-tired or become rundown.

259.

Throughout these years we depended on family, friends, and neighbours for help and for this we will be forever thankful. However, late in 1968 my chronic infection became acute and my wife's internal trouble reached the stage where her doctor decided a complete hysterectomy was the only possible solution for her. Our youngest child was about 18 months and demanded full care and attention. This was a most demoralizing situation for us and we didn't know what to do or where to turn. It was very difficult, if not impossible

for us to beg the help we needed from our usual sources.

260.

I put off my operation as long as possible as my wife was unable to cope alone. We tried to get help without success. And then in January, 1960 my wife was admitted to hospital as an emergency and our decisions were made for us. Again our friends stood by in this emergency and helped with the care of the children. When my wife was released from the hospital we began to receive the service of a homemaker, first through the Victorian Order of Murses and then through the Family Bureau. Exactly how we managed to get this help is still not clear to me, but it really doesn't matter, the important thing is that we did get help.

261.

The conditions under which my wife was able to recuperate were the best possible. She was able to give the children her love and attention without getting overtired and without the despair that comes when one continually faces a task that at times for some, seems just too much to bear. I was able to have my operation shortly after with peace of mind knowing that my wife did not have to bear the full load of caring for the family while I was unable to help. Most important to us and perhaps to the community, the children were saved from experiencing what we suppose would have been a painful interruption in the security of their everyday lives.

262.

These are the facts as they can be expressed. But one can only speculate as to the possible conclusions reached by making an objective assessment of the value of the homemaker service as it was applied in our case. To my wife and I there is no doubt about what it has meant to us. It certainly hasn't solved our problems nor will it, but it has been a tremendous relief and I don't know what we would have done without it. It came at a time when we were in desperate need of a bit of warmth in a seemingly cold world."

Respectfully submitted on behalf of myself, my wife and our children and

- 263. 7. We would point out that homemaker services are not always required on a full-time basis and that often the need is for only one or two days per week. The program is flexible and related directly to the needs of the family served.
- 264. 8. Several of the comments make reference to the help received from relatives and friends before coming to the Family Bureau and each one indicates that they found there was a limit on the help that they could beg.
- 265. "I wish to outline my feelings for the Family Welfare

  Bureau and for the great help they have offered my

  children and myself.
- 266. When we lost our wife and mother, it was quite understandably a shock and blow to us. At a time such as this, one really doesn't know where to turn for help, or how one will be able to manage. With 4 children between 3 and 10 years old, it presents quite a problem.

267.

There were no relatives who could effectively come to our aid. At first the neighbors were very helpful and were just wonderful in looking after us. One cannot, however, expect neighbors to look after his family indefinitely. There was a real worry setting in to try and find a solution.

268.

I was not in a position to hire a full-time house-keeper. Even if I had been, these people are not that easy to find. In such sorrowful times it takes a rather special person to come into the household and do the housework and keep the children happy, clean, and healthy.

269.

We were very fortunate in being able to approach
the Bureau and have them send us a housekeeper. This
woman came into our home and just took over. She had
had the experience to do this and within no time at all
the children were able to have that secure feeling.

270.

As a direct result of having this housekeeper our lives were returned to as near normal as was possible. The children have done very well in school. My work has not been interrupted and we are living a normal happy life. For this we are extremely thankful and grateful.

271.

Picture us without any such help as the Bureau was able to provide. Four unhappy children could become juvenile problems. The result would have affected my work and possibly I might have been unemployed. This in turn could have meant greater welfare expenses, not to mention that an unstable, unhappy family would

have resulted in the usual drag on the community.

272. We thank the good Lord every day for our good
fortune. We are not as fortunate as some people, but
we are certainly luckier than many."

15-10-1970

- 9. In many cases, the recipients of homemaker service felt that without help, the only eventual alternative would be full welfare. This prospect, it was felt, would be distasteful and degrading and should be avoided whenever possible for reasons of both a moral and economic nature. The homemaker program enables a large number of sole support parents to maintain gainful employment and continue to function independently. The cost of providing a homemaker in most instances is less than the cost of keeping a family on full welfare.
- 274. 10. It is economically sound to provide homemaker service to sole support mothers who have two or more children, thus allowing her to work rather than to have to choose the alternative of keeping the family on full welfare.
- of Greater Winnipeg states that intake in the homemaker service program was closed for the majority of 1969 due to funds for payment of the program being curtailed by the Provincial Government authorities. During this period, at least 150 requests for service had to be refused which indicates the need prevalent in the community which was not being adequately served in this respect. Most certainly a percentage of these cases, at least, would be of a desperate nature. It is to be hoped, that the final recommendations resulting from this Senate committee will not overlook the fast growing need for this very important community service.

278.

279.

to highlight a supportive service which allows people to stabilize their situations and to continue to operate efficiently. It should be stressed that this program is used primarily by self—supporting families and has proven to be a significant benefit to all who have used it. The combination of tangible and in—tangible services is the secret formula.

277. 'Being a citizen and taxpayer in need of special services in my home, I have been helped greatly by the Family Eureau. A homemaker comes every morning and takes good care of my wife and two children making it possible for me to go to work and earn an honest living for my loved ones, as well as keeping my pride as a responsible member of the community.

My wife is a paraplegic and my children babies.

Although she is no helpless invalid, it is impossible for my wife to care for herself, the children and the housework, completely alone for 10 hours a day, day in and day out. So Family Bureau supplies us with a responsible homemaker, who gives the children love, attention and discipline, enabling my wife to care for her health both mentally and physically. Therefore I can go to work my mind at ease knowing that spiritually and materially I will have a family to come home to.

I must explain here that my wife did approach
the V.O.N. Services about our problem, but there was
no visit to assess the situation or see if a suitable
homemaker could be found; so I can only assume that

nothing was done. So we approached Family Bureau and within 3 weeks we had a homemaker. Had this service not been available, we would now be recipients of outright welfare. The only other alternative would have been foster homes for my sons, a nursing home for my wife, perhaps even a sanatorium, and I a lost man embittered at the unfortunate turn of events causing me to lose my home and family.

My wife wishes to speak:

280.

Being helped by Family Bureau makes it possible for my husband in turn to help others. He volunteers his services as a driver to paraplegics who need transportation to and from various places. He also serves the St. John Ambulance Erigade and does other volunteer help in the community. All this is possible from the fact that we have a full-time homemaker. (She's an angel). Therefore my nerves are not so ragged and I can look after the children for a few hours having made sure my husband has left glasses, juice and other items at a low level within my reach. So all in all, I do manage for a few hours a day.

281.

Even though we do receive help, we still have financial problems. We could never pay a high enough salary on our small budget that would interest a reliable and resourceful homemaker to work for us.

Even baby-sitters are scarce these days and good ones even more so. We would indeed have a crucial problem on our hands if special services were denied us.

Full-time homemakers seem to be available only through the Bureau.

- 282. So, by receiving help of this kind, my husband is able to continue working, pay his share of taxes, our monthly rent, and bills, while at the same time being a responsible member of the community.
- 283. Many thanks to Family Bureau. May they long continue in their endeavours."
- 284. To confirm the inability of a family such as this to provide for private care in the home, the following income figures are offered as an example.

285.	Monthly Earnings: Approx.	380,00
	Expenses:	
	House payment	103,25
	Loan repayment (for car)	110.00 (required for work & trans-
	Gas heat	30.00 portation for
	Hydro bill	8.00 wife & children).
	Phone bill	8.00
	Water bill - every 3 mos. Gas, oil, etc. for car,	6.16
	groceries & clothing	109.59
		\$380,00

of providing a homemaker from an agency would be far beyond their ability to pay. This is the case for the majority of people requiring this special service. On an average, families using homemakers are low or middle income families who, through no fault of their own, are placed in the position of requiring special help in the home. This is often related to a personal tragedy.

As they can neither afford to hire their own persons nor are

in the position to accurately find and select suitable help such families are reliant on the developed and community-based homemaker programs. Without financial subsidization from government sources the much-needed help would not be available therefore the families using the programs are required to qualify for a welfare grant which meets the homemaker costs.

- 287. At present the Canada Assistance Plan is making the provision of these aids more broadly available but the need far out-distances the supply of personnel. Financial restrictions on the expansion of these programs is a primary reason for this discrepancy. The monies available under the Canada Assistance Plan should be used more effectively than they are presently to develop these types of family-support services.
- Along these lines regional disparities in the allocation and use of these special federal funds should be carefully assessed to insure that the development of programs such as homemaker services become truly universal and that they become broadly implemented.

## FAMILY DAY CARE SERVICES

289. The dilemmas faced by the sole-support mother who is required to provide adequately for her family and herself are many. Usually these mothers are receiving extremely low pay, a traditional problem of the working woman, which is unsufficient for the needs of a young and growing family. The most critical and crucial problem for this type of low income family, however, is more often finding competent and consistent care for the children rather than the adequacy of the income.

- 290. Babysitters are available. However, they are often not reliable which has a deteriorating and demoralizing effect on the mother who is trying to be a responsible wage-earner and competent mother and on the children who require extra love and attention due to the breakdown experienced in the family. The financial drain occasioned by paying for the inefficient private plan is frequently enough to destroy the initiative and desire of the sole-support mother to be independent and self-supporting. Special needs exist in this type of situation which must be met by programs designed to compensate for the total lack of one parent, the father, and to relieve the stress on the one who remains, the mother.
- 201. Two programs which were started with the intention of meeting the needs of the sole-support parent are the <u>Day Eursery</u>

  <u>Program</u> and the <u>Lunch and After School Program</u>. Each has definite disadvantages for the mother alone which makes them uneconomical for her and limited in their effectiveness in relation to the needs of her children.
- 292. <u>Day Nurseries</u> provide trained and competent care to the child, a contrast to the type of care received from the untrained and at times unreliable "babysitter." The children in the Day Nurseries are given nourishing lunches and are supervised by competent personnel but the Day Nurseries lack the warmth and individual attention that all children need, especially the children from one-parent families.
- 293. Listed are some of the shortcomings of the Day Nurseries where it concerns children of sole-support mothers:
- 294. 1. It is often necessary for the working mother to take the child to the Day Nursery by bus since the Nursery is seldom

- located in the child's neighbourhood. This creates extra costs and uses valuable time for the mother who is rushing to work.
- 295. 2. The personnel are trained and competent but a child of a sole-support mother requires personal attention that is understandably not available at a Day Nursery. There is a total absence of male staff.
- 296. 3. When a child has the sniffles, which is very common during the spring and fall, the child must stay home in order that germs do not spread throughout the Nursery. The mother then must either stay home from work or get a "babysitter" with the cost borne by herself.
- 4. Day Nurseries are only for children from 27 months to 5 years. When a child reaches age six and is going to school, he is accepted in the Lunch and After School Program, located in a church in the child's community. Children with special health problems cannot receive this type of care as they require too much attention or would not fit into the overall structure.
- 298. The Lunch and After School Program is also a group program and the child does not receive any individual attention.

  The child is given a good nourishing lunch, as is the case in the Day Nursery, and after 4:00 p.m. the child reports back to the church and remains there until the mother returns from work.
- 299. This service is very limited.
  - Most mothers must leave for work before school starts, it is then necessary to have someone look after the children for a few hours in the morning.
- 300. 2. During a school year it is often necessary for teachers to attend school meetings and since the church program is

available only on the days the child goes to school the mother must find someone else to look after the children.

- 301. 3. Each time a mother must get a "babysitter" to look after the children in order that she can go to work, it is always necessary to dip into an already depleted budget.
- 302. The Day Murseries and Church Programs are ideal for the children that belong to a two-parent family. The care, understanding and extra attention the children receive at home is complimented by the trained and competent supervision that the Day Nursery, for example, provides but the children of solesupport mothers require more than trained supervision. Thus we have a situation in which potentially helpful programs are really limited in their usefulness for the sole-support mother. This does not signify that such programs should be restricted or removed, it simply indicates that alternate types of care are required and must be established. The component of special care to balance the limitation in the child's own home should be the basic criteria for new programs. To substantiate this position many examples could be offered which relate the difficulties and anxieties experienced by sole-support parents attempting to make use of limited community facilities, we will offer only one.
- Winnipeg, where my children and I stayed with my

  parents in St. Boniface. I had not worked for a

  number of years, and when I arrived here I was not

  sure if I was capable of doing work.
- 304. The second day after my arrival here I started to work as a nurses aid at the Municipal Hospitals. I

had been out of the working force for several years and felt that I was not capable of doing clerical work. My step-mother and I did not get on too well, but the agreement was that while I was at work she would look after the children. I paid her \$100.00 a month. My own salary was only \$190.00 a month. I later decided to do what I could to get a better paying job.

305-

I lived with my parents for three months and then moved to a three room suite. By this time I had brushed up on my typing and I felt it was time to look for a better paying job with regular hours, for while I worked as a nurses' aid, I was on shifts. Fortunately there was an opening at the Royal Alexander Hotel, and I was hired as the Front Office clerk.

306.

My oldest child Drian, was in Grade 1 and since he was going to a private school (my father insisted he go there and paid the tuition fee) he was able to take his lunch to school and I had a neighbour look after the youngest, Robbie, who was three years old. She also looked after Brian after school. For this care I paid her \$3.00 a day. This arrangement was not too bad except that her husband was an alcoholic, and since he would hit his children when he was under the influence, I was worried about mine. There seemed little that I could do at the time. We made do until the end of that school year and by this time I had heard of the Lunch and After School program at the

Home Street United Church. I contacted the minister and asked his help in locating a place to live in that area as this would make us eligible for these programs.

307.

On July 1st we moved to Home Street, and through the minister I was informed that there was a day nursery available for the children of sole-support mothers. Arrangements were made for Robbie to attend the Broadway Day Mursery, My problems were just beginning. First of all the Lunch and After School program which Brian attended at the church was in operation only during the school year. When summer came my search for a sitter began again. I was able to get an 18 year old for a few weeks whom I paid \$3.00 a day. Then I again had to look for someone to care for the children. The ads in the paper were a help, and I found a woman a block away. She was asking \$5.00 a day. Since I had to pay a sitter for looking after Brian during the summer I didn't think I could also pay for Robbie at the nursery as well, so he had to wait to start at the Day Nursery until the first day of school in September.

308.

By this time I was making \$246.00 a month, but I felt I was paying too much for a sitter. After the summer holidays I realized how many expenses had accumulated. The gas, electricity, and phone bills were not paid, my creditors were not paid and the rent was going to be late. It was time to get a second job. I worked from 8:00 p.m. to 2:00 a.m. Friday, Saturday and Sunday nights, as a waitress at the Gondola Pizza

on McPhillips. To do this it was necessary to again look for someone to take care of the children and I found a girl to live in. I couldn't pay her anything but gave her room and board in exchange for baby

sitting. I worked at two jobs for three months and was no further ahead, in fact, I didn't come out even. I quit the second job just before Christmas.

309.

The children fortunately did not need new outer winter wear and I wore a fall coat with a heavy sweater underneath. Christmas was going to be a drab one. The previous Christmas my father had bought us a turkey and Christmas tree, but he had passed away during the summer. This was going to be a sad Christmas.

310.

The Children's father and grandparents sent them gifts, but these as usual arrived a few days after Christmas. I told the children we would have sausages for Christmas dinner, but, this being their favorite, they didn't mind. I couldn't afford to buy gifts for them, but I felt something should be under the tree. (This was an extra tree that TransAir had brought down from the far north for my employers. My supervisor had realized my position and gave me the tree). I bought a bag of little green plastic soldiers and the children got a lot of entertainment from them. Each Christmas since, I have made a point of putting a bag of these little men under the tree.

311.

A .worker from the Day Nursery notified me that she had put my name down for a hamper from the Christmas Cheer Board. In order that we would not be disappointed I did not mention this to the children. A couple of days before Christmas the hamper was delivered and we had everything to make a good Christmas dinner. The hamper also included practical items such as flour, powdered wilk and such, all of which helped in stretching my food dollar. As well there were suitable gifts for the children, and for me three pairs of nylons! I was overwhelmed. After my father passed away, I felt there was no one else who cared how we managed.

312.

We settled into a routine. The utilities were paid the only way I could. One month I would pay only the gas; the next month only the electricity; the next month only the phone. Everything else was left. Finally I decided, in April, 1968, to go to the Orderly Payments of Debts Court and amalgamate my debts. I had debts totalling \$110.00 per month. Through Orderly Payment of Debts Court, the payments were cut to \$50.00 a month and by the summer I had more or less caught up on outstanding bills. The utilities were current and things appeared to improve, I had saved enough money to buy the children swimming trunks, runners and shorts. In addition Brian needed to have special medication in the winter, and I paid out \$15.00 a month for drugs. He has an allergy that the extreme cold and low humidity seem to aggravate for which he spent two weeks in the hospital the previous December. This is another reason why I had to quit my second job.

313.

I thought I was prepared for the extra expense.

But once again I had not accounted for the fact that
the Lunch and After School program would be closed
for the summer, and that for three weeks in August
the Day Nursery would also be closed. I again
checked the ads in the daily paper and there was a
woman who could babysit not too far from where we
lived. The rate was \$4.00 a day for one, \$5.00 for
two. So I took Robbie out of the Day Nursery. Since
I was paying the nursery \$18.00 a month plus the
money for bus fare which was then \$6.00 a month I
felt it would be more economical to have the woman
look after both of them.

314.

The children had been told by one of the previous sitters that if they were not good no—one would want to look after them. The children were always well be—haved, except when I came to pick up Robbie, then he would go into a tantrum or other such outburst. I felt something was not right. The doctor had told me that Robbie was too highstrung and if he didn't settle down Robbie would have to be put on medication. I did not want him put on tranquilizors so I didn't take him to the doctor again, instead after work I would spend as much time as possible with the children. Both children had been hypersensitive as infants.

315.

During the summer school vacation the children had had three different women caring for them. The last woman was to care for the children until school

started. However, instead of leaving on their holidays after school started, the sitter and her husband had decided they were leaving on the Friday before in order to have the long weekend. I was left stranded and my job was in jeopardy. My supervisor at work had been very understanding when I took time off to take either one of the children for an appointment, but I was hired under the condition that I had someone to look after the children. Therefore I made the children's lunch before I left for work, left them to look after themselves, and phoned them every half hour. Being very young, they had eaten their lunch at 9:00 a.m. so I went home on my lunch hour and made them another lunch and then took them to the community park. I instructed them to stay in the park until I came for them, once again they were unsupervised at ages 9 and 5.

316,

If I had possessed ten dollars in cash, I could have phoned the Pabysitting Eureau, instead I notified the Children's Aid and told them what I was doing. They did not approve, but could give me no other alternative. They asked me to get in touch with the Family Bureau on Tuesday. When I got home from work after picking up the children at the park, I was sick. Here I was working in order to make a half decent life for my family, and the children were not benefitting in the least. My decision was made. On Tuesday I would try to find a place where

I would pay room and board and have the landlady look after the children. If I could not, then I had only one choice left - welfare. Welfare was for people who could not work, and I could not work.

317.

Again the merry-go-round of trying to pay for the utilities. In order that the sitter be paid for looking after the children during the summer vacation, no payments were made. If I didn't pay O.P.D., I would no longer be under their protection. On the 12th of September I found a place near the children's school where we could receive room and board and babysitting for \$80.00 a month. We moved. I didn't give a month's notice so I had to pay a month's rent in lieu of notice. We were at the new place two weeks when I decided that this was not working out at all. Now I was really stuck. I had no place to go. My furniture had been stored in the landlady's basement and I could not afford to move it. I knew I had to go on welfare, but I didn't know where to phone. I still had the phone number for the Family Bureau however, and I phoned to enquire about applying for welfare.

318.

I can't recall to whom I was talking or whether it
was more than just one person, but while I was on the
phone waiting to speak to someone, a feeling of
desperation came over me. The decisions I had made
all along had not been the right ones. Bach decision
I had made since being on my own brought us farther
and farther down. I was not good for myself and was not

a good mother to my children. Finally someone came on the line and an appointment was made for the next evening for me to go in for an interview. I was terrified. I was not sure what I had done, but whatever it was, the wheels were already set in motion. Not being from Winnipeg originally, I did not know what the Family Bureau did. What would happen to the children? Would they be taken away from me? I knew they would take them away, because anyone could see that I could not take care of them. Several times I was going to phone to have this appointment cancelled, but I was frightened; afraid of what would happen if I kept it and afraid of what would happen if I cancelled it. When the time came, I was there.

319.

I spoke to a lady and she tried to explain to me what the Bureau would do. When I spoke to her I told her that I did not want to look for someone to care for the children as I had already done too much damage to them by getting sitters that I did not know. I can't recall what else was discussed, but I do remember that she said she had a Day Care home for the children in the north end. Since I had to move anyway, I was to look for a place in that area. I found a place and moved there on the 13th of October. In the meantime I had spoken to the worker several times and she assured me that the Day Care homes were well screened and that she herself would make house calls to see how the children were making out. I was still apprehensive. No one except my father had cared

what happened to us. Although she was doing a job she was paid for, she did not make me feel that this was all in a day's work. I needed someone to tell me what to do and I was able to phone her whenever I felt that I had a problem, although I didn't call her too often, I knew she would be there if I needed her. When I found a suite I even asked her opinion on it before I accepted it and she made a point of coming to look at it and said it would do just fine. So we moved.

320.

I knew that I had been feeling sorry for myself, and that my mental attitude was not good. With the knowledge that there was a reliable and competent person caring for the children while I worked, and that my social worker kept in touch with both myself and the Day Care mother, I began to feel that maybe, just maybe, I would be able to make a go of it.

My work began to improve, and I was finally promoted to the accounting department, with an increase in pay.

This was in 1963. One of the longest years in my life.

321.

My budget was tight, but after two years the world was finally not such a dreadful place to live. There was a special Christmas dinner sponsored by the students of R.B. Russell School for the children and mothers using Day Care which was the first Christmas party the children had been to since we came to Winnipeg. Each child was given a present and each mother a plant. A Christmas hamper was also delivered.

322.

Everything seemed to be going just fine, and yet I had not gotten over the feeling of being sorry for myself. If the children caught a cold, they were well looked after, either by myself or by the Day Care mother, but when I had the flu and was not able to go to work, no one was around to ask how I was. The children still went to the Day Care Home in the morning and for lunch, but I would have to get up and get them dressed and feed and walk them to the corner. After school I would have to get out of bed and walk them home. When I told this to my worker a few weeks later, she said had she known I was sick in bed, she would have come over, even just to make me a cup of tea. Had I known this I know I still would not have called her, for I had tried too long to do things for myself. Asking help for myself would be too much of an imposition, but she had been a great help already where the children were concerned. My worker finally got through to me the fact that the children's total welfare was in direct relation to my own well being. This was when I realized that as long as I was satisfied with where I was living and with my job, then it was also good for the children.

323.

By this time, meetings for day care mothers were being held at the Family Bureau and these meetings helped me in several areas. First and foremost was the knowledge that all the women at the meeting were also sole—support mothers. All seemed to have the same basic problems of social adjustments and

budgets and concern for their children. I began to take a grip on myself and make peace with the world. It had been tough going for a while, but others had it just as bad if not worse.

324.

I was not satisfied with the suite where I was living, it was always too cold in the winter, and like an oven in the summer. When I mentioned this to my worker, she asked me which area I was wanting to live in. I still did not feel capable of making a decision. My salary by this time was \$325.00 a month, and as I worked at this time at the airport, it took me over an hour to get to work. I left my place with the children to go to the Day Care home at 6:30 a.m. and picked them up at 5:30 p.m. My social worker had suggested that I look for a job closer to home, but the thought of looking for a new job did not appeal to me since I still felt that I might not be able to get another one. However, a couple of months later, I handed in my resignation. This was the end of May, 1969. A couple of days later I was able to get a job in North Kildonan, only half an hour from home by bus, On the first of June my landlord informed me that my rent would go up from \$80.00 a month to \$90.00 a month. I felt even \$80.00 was too much to pay for the privilege of freezing to death in the winter, so I started looking around for another place. Then the Day Care mother decided that after the school holidays she wanted to get a full-time job. My worker informed me that she had a Day Care mother in the Elmwood area if I would consider moving there. Until I moved, I

still needed Day Care for the children and the only solution was that I would take the children to the Day Care home in Elmwood on my way to work each morning. The children appeared to adjust to this very quickly and also to the Day Care home. Through the Day Care mother I heard of a block that was still under construction which would be ready for occupancy by the beginning of August. I contacted the agent looking after the block to enquire of the rent, and if he would accept children in the block. The rent I felt was too high, but there were no other apartment vacancies in the area. The agent agreed to have us move in on the 15th of August. On August 26th he sent me a letter stating in part "the building is not soundproof and in the interest of the other tenants I have no choice but to ask you to move on October 1, 1969."

325.

The agent knew when I enquired about the apartment that I had two boys. Also, we were the only family in the building until the 15th of September, so we could not possibly have bothered anyone. I felt he was getting a bit out of line. Apparently he had every right in the world to evict me. I had spoken to the M.L.A. for our district, he referred me to an alderman, who said that unfortunately there was nothing I could do about staying, and the only thing I could do since I had to move was to appear before the grievance committee. I got in touch with my social worker and informed her of what was happening,

and that I had made arrangements to appear before the grievance committee. She said she would accompany me there, but first she would have a talk with the agent. After her talk, the agent recinded his request for me to move and also said he would send me a lease. This I still have not received.

I have tried to indicate the problems faced by a sole-support mother and thereby indicate the special needs of women in my position."

327. The Family Day Care Program identified in the preceding example has been in existence for five years, having been initiated with private funds as a pilot project under the auspices of the Family Bureau. The goal of the program was to utilize resources centred in the neighbourhoods of the sole-support mothers for specialized daily child care. The significant factor is the selection and use of families as day care parents rather than the extension and use of artificial group care facilities often quite distant from the child's home. Two plus factors, therefore, are built into the program. Firstly, the placement of a child in a complete family setting allows him to experience the stimulation of a home and benefit from the exposure to both parents, especially the father. Secondly, the home being located in the child's own neighbourhood provides a consistent experience at school and with friends and develops a sense of confidence and security with his environment.

- Day Care home are: loving care, understanding, and extra attention when a problem arises, be it large or small, in an atmosphere of a complete family unit consisting of a mother, father, and children. In some cases the Day Care home has provided the children with their first insight on real family life.
- the Day Care mother is interviewed by a qualified Social
  Worker. Prior to the Day Care mother looking after the
  children, she meets with the children and their mother. The
  social worker makes frequent housecalls to see how the
  children are doing, and to talk to the Day Care mother.
- 340. Listed are some of the reasons that the Day Care

  Program is essential:
- Prospective Day Care homes are investigated by a competent social worker.
- 342. 2. There are follow-up visits by the social worker to the Day Care home in order to discuss everyday problems and preventing them from developing into major problems.
- 343. 3. In a good family atmosphere the children have a feeling of security and belonging.
- "Before I knew about the Family Bureau, I was living on \$200.00 a month. I was trying to support a daughter and myself, maintain a home, pay bills, plus a sitter. I'd leave bills every second month so I could pay other bills. My daughter was shoved from one relative to the other as I couldn't afford to pay the price of other babysitters.

345.	I was advised to go to the Welfare for help but
	with one child, I could work, and there was no reason
	for me to be on Welfare. I was going to manage somehow
	by myself.

- 346. Since I've been with the Family Eureau, I have a regular sitter and my daughter isn't shoved around anymore. I trust my sitter's judgement completely.
- 347. I can go to work, knowing my daughter is given love and attention.
- 348. If a problem should arise, the Family Bureau gives me a shoulder to lean on.
- 349. There should be more Day Care Centres. Then there would not be that many people on welfare."
- 350. 4. If the children are not feeling well, and must stay home from school, the Day Care mother gives them the extra attention and understanding that is needed. Under these conditions the mother feels at ease in going to work.
- 351. 5. Though the primary object of Day Care is to have reliable and competent personnel caring for the children of sole—support mothers, we must not overlook the fact that the Social Worker has been instrumental in helping the mother see things in their proper perspective, and in most cases, the worker is the only person the mother can rely on for moral support.
- 352. "I am a divorced mother (working) with 2 children, ages 6 and 10, and have been in Day Care for 2 years.

  During this period, my largest benefit from the Family Dureau has been the moral support I have received from my social worker. Through understanding

and information received by myself, I have been more able to cope and deal with the many problems arising in a single parent family, where the parent works, although many of these problems I'm sure could also occur if the parent did not work. Therefore, moral support although indirectly, has not only helped me, but has also benefitted my children.

- I do hope the services of my Social Worker

  continue to be available as I feel any single

  parent really needs this and when received by the

  parent, the rest of the family also benefit by it."
- 354. 6. The mother pays for this service according to her income and expenses. Only in this way is she able to afford the type of care that children of sole-support mothers require.
- 7. The working mother must rely on public monies to pay for the Day Care Services, but it is only a fraction of what it would cost all levels of government if she were wholly dependent on public assistance.
- support mother and has been endorsed as a means of providing competent and reasonably priced child care in the community.

  In recent years it has been financed by public money under the cost-sharing arrangements of the Canada Assistance Plan, but as in the homemaker service the expansion of this program has been curtailed by the Provincial Department of Health and Social Services. This is slightly foolhardy when we consider the increasing numbers of sole-support parents in the labour

force who are unable, on their own, to provide good day care for their children. The suggestion is made that Family Day Care programs should be broadly expanded and made generally available. The results will certainly outweigh any projected financial hazards. The program is flexible and potentially quite dynamic as a means of ensuring that the welfare of children is adequately met.

## RECOMMENDATIONS AND CONCLUSIONS:

- chosen to present our views, thoughts, feelings and experiences in their entirety so as to illustrate the actual circumstances of the daily life of the low income family. As a result, many inferences are made about conditions which must be alleviated or altered if the lot of the poor is to be improved. We have also indicated clearly and directly the nature of the services which we feel will be of benefit to the poor and have outlined some directions which should be taken.
- 35%. In summary fashion we will attempt to explicitly state our generalized conclusions.
- in our society and recognition of the innate potential vested in their numbers should be recognized. More emphasis should be placed on including representatives of this group in the social planning process at all levels from the smallest community unit to the most high level planning divisions. The viewpoints of people who are indigenous to the problems are essential and must be considered from this point on. (See An Approach to Poverty, p. 26).

- 2. The existing services in our communities and in the welfare system should be revamped to more adequately meet the economic, social and personal needs of all levels of society and more precisely those of the low income segment of our population. (see The Circumstances of Poverty, p. 11).
- 361.

  3. Regional disparities occur in the application and availability of monies for the development of proposed new services. There should be an investigation of how funds are presently raised and an assessment of how funds could be more equitably distributed in the future. This is related directly to the use of federal funds under the Canada Assistance Plan. (see Homemaker Services, p. 74 and Family Day Care Services p. 87).
- 362. 4. Central information depots, resource banks and consumer clinics which are accessible to the poor should be established to directly provide the public with current information about legislation in all areas, advice regarding community services, housing directories and knowledge related to such things as tenant rights and civil liberties. (see Resources and Information p. 59).
- 363. 5. Debt counselling services related to dollar management, the use of credit and other related matters should be set up. We believe a step of major significance would be taken by the adoption of the recommendation of the Report of the Senate-Commons Committee on Credit that guaranteed low interest rate loans be made to low income families for provident and productive purposes related to home and family. (see Credit Practices, Consumer Affairs and Debt Counselling, p. 65).

- methods and techniques with relation to the needs of the community. Community-based educational programs related to family life, consumer affairs and government practices, for example, should be implemented to alleviate the information gaps and myths which are created by our present isolationist system.

  (see Co-ordinated and Extended Special Services p. 70).
- 365. 7. More relevant educational programs for youth should be created and implemented to stimulate and better prepare them for the life demands which they are to meet. Co-ordinate with this is the need to ensure that these programs are made freely available to the poor.
- 366. 8. For the working poor the availability of resources relevant to the needs of the individual family are of a much higher priority than the collection of more income. The working poor indicate that their inability to locate and obtain appropriate resources is not related to the lack of income but to their constant failure to achieve any good level of purchasing power even with income growth. The drain on family income for everyday needs increases proportionately with the inflation of income for the poor thus creating a self-defeating situation.

  Resources, financial and otherwise, should be distributed via channels other than into direct family income in order to make goods and services generally more accessible to the low income family. (see The Circumstances of Poverty, p. 11).
- 367. 9. Supplemental funds should be available to the low income earner which would serve to allow him to effectively adjust to the standard of living of the community and provide

the extra resources which his family require to compete in our society. For example, bursary funds to insure educational or vocational opportunities should be established and made available to the poor. Good housing is a major need and money for the purchase or improvement of dwellings is a requisite of the economically disadvantaged. This should be given a priority in the planning of new programs to aid the poor. A lack of available resources should not be allowed to deprive a family of advantages in a pyramiding fashion as it does presently. If you are poor you remain poor seems to be the dictum of today's approach. Should this be allowed to remain as a standard? (see A Portrait of the Poor, p. 15).

- 10. As large numbers of people in our society are becoming victims of family breakdown and other associated ills, family support services are becoming essential. In this regard, homemaker programs should be developed and implemented on a much larger scale than at present. Public monies should be diverted into this type of program in a more expansive manner as these services are highly preventive in nature. They bolster and internally support families which otherwise, if allowed to rely on their own limited resources, would quickly become involved in the extensive use of many higher cost programs. The savings which would accrue by using support services when the need arises would be enormous: without them a broken family often becomes a community liability. (see Homemaker Services, p. 74).
- 369. Il. In the same direction but related to the plight of the smaller family, often of the sole support mother, the Family Day Care Services should be viewed as essential and expanded.

The social advantages are a strong factor in our recommendation that there be a universal development of Family Day Care programs. (see Family Day Care Services, p. 87).

- 370. 12. With the universal application of such programs the use of co-ordinated services is essential for the failure of our present system to distribute services equitably amongst all persons must be rectified.
- 371. 13. Schemes whereby there is a more convenient and accessible distribution of low-cost or subsidized goods to the poor need to be developed and well publicized. Items such as prescription drugs should be price-controlled or made freely available to the low income group through community-based outlets. This applies to all life support services which the poor are prohibited from providing at an adequate level to their families due to their low income. Such things as cooperative buyers clubs should be organized with low income groups. (see A Discussion of the Concerns of Low Income Families, p. 32).
- 372. 14. In our cities an assessment should be made of the recreation facilities and social outlets that are convenient and suitable for families and teens who are unable to invest the time or money in conventional high cost forms of entertainment. Special facilities should be considered and developed in relation to a prevalent need in this regard.
- 373. 15. Greater employment opportunities for youth are essential and ways of involving young people productively in the labour force should be developed.

- 374. 16. In the development of future programs for people, care should be taken to ensure that humanistic and personalized approaches are incorporated as essential components of the service to be provided.
- is available to them in every sphere of life. Such things should not be dependent on income levels or social status as they are at present and they should be obtainable without loss of dignity or self-respect. (see The State of Being Poor, p.3).
- opportunities will be afforded to people from

  every walk of life. It would make for a much
  happier and peaceful world!"

Respectfully submitted,

Mrs. Muriel D. Innes Member of the Action Committee for Special Services

Mids Jacqueline Briscoe Interim Chairman of the Action Committee for Special Services

Mrs. June Menzies
Chairman of the Special Services
Committee of the Family Bureau
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May 15, 1970

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# APPENDIX "B"

BRIEF

To The SPECIAL SENATE COMMITTEE ON POVERTY

Submitted by:

The Manitoba Association of Social Workers

Room 237 - 447 Webb Place, Winnipeg 2, Manitoba

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APPENDIX "A"

#### I INTRODUCTION

The Manitoba Association of Social Workers is an association of about three hundred professionally trained social workers, who have a wide range of experience and employment within the social welfare field. One of the stated objectives of the association is to take relevant political action on issues of social concern, which explains our reason for submitting to this committee. As a provincial branch of the Canadian Association of Social Workers, we commend to you and endorse the brief which that organization presented to this committee on March 24, 1970. This brief represents the views of the total provincial association of Social Workers.

## II SUMMARY OF MAIN RECOMMENDATIONS AND CONCLUSIONS

- The Federal Government has the central authority and responsibility for anti-poverty programs. (Paragraph 12).
- There is a need to re-examine Canada's methods of distributing income. (Paragraphs 13, 14, 15, 21).
- 3. Social utilities in need of drastic expansion are: low income housing, day-care facilities, housing and care for the aged, pre-school programs, recreational services, upgrading and vocational training, homemaker and home-nursing services both for families and for invalid or aged individuals (Paragraph 18).
- 4. There is a need for a fiscal policy which views taxation, wage income, and direct social allowance as an integrated program through which an adequate level of income is assured for all. (Paragraphs 21, 24, 25, 35).
- 5. Individual needs and means tests should be held to a minimum as a method of income distribution, and procedures such as a

II. Summary of Main Recommendations and Conclusions

negative income tax, and universal programs such as increased

Family Allowance should be implemented. (Paragraphs 25, 31, 37).

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- Mothers should be paid in recognition of their social value in caring for children. (Paragraph 33).
- Our long range objective should be an adequate guaranteed income. (Paragraph 24).
- 8. Our interim efforts should be to update and increase our existing social welfare programs such as Family Allowance, to make them relevant to todays cost of living. (Paragraphs 29, 30).
- 9. Family Allowance, and all universal programs should be declared as taxable income, allowing recovery from families where they are not needed. (Paragraph 33).
- 10. We need to recognize that for those suffering from generations of deprivation, rehabilitation will require more than money, but that money will be necessary. (Paragraphs 38, 39).
- 11. Client groups, associations of the poor, and citizen participation are essential if maximum use is to be made of government programs. (Paragraphs 40, 41).
- 12. Community Development Banks should be established to allow citizen groups the opportunity to initiate their own local improvements. (Paragraph 42).
- 13. The Canada Assistance Plan should be revised allowing for:

   new cost sharing between the provinces and the Federal government based on regional disparity,
   continuation of the Federal government's involvement in programs after initiating them. (Paragraph 45).
- 14. Reform of the tax structure to re-distribute the tax burden based more on the progressive principle of ability to pay. (Paragraph 47).

### III THE PROBLEM

- 1. Five Million people, one quarter of the population of Canada, live in poverty. The discovery of poverty in the early Sixties came as a shock to those who had so blandly assumed that a constantly increasing Gross National Product would produce a corresponding decrease in poverty. In reality what has happened is that the relative number of poor has remained at approximately the same level while the majority of the population has made moderate to significant gains in real income.
- 2. The Federal Government responded to this situation from 1965 until the present by developing a number of major programs designed to improve the lot of the average Canadian, notably the Canada Pension Plan and the Canadian Health Insurance Act. In addition, legislation was provided for a number of new programs which were specifically designed to help the poor. These include economic programs such as ARDA, rehabilitation programs such as Vocational Rehabilitation of Disabled Persons and the various preventative and remedial provisions of the Canada Assistance Plan. Some recognition of the need of the poor to organize on their own behalf was evident in some of the projects established by the Company of Young Canadians.
- potentialities of our economy are not, however, being realized. The talents of some of our people are wasted because of poverty, illness, inadequate education and training, inequalities in opportunities for work. To combat these, to improve the opportunities of people who are now at a disadvantage, is to put new power in our economic expansion and to enhance the unity of our country. My government is therefore developing a program for the full utilization of our human resources and the elimination of poverty among our people".

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- 4. Yes, the goal was clearly stated and some of the means of achieving it spelled out in broad general outline including regional development, the re-employment and training of workers, the re-development of rural areas, the assistance of needy people, the renewal of areas now blighted and congested in our cities, and the establishment of new opportunities for young Canadians. The aim then was nothing less than the elimination of poverty. But the question is "Do Canadians really want to end poverty?"

  The response at all levels of government and at all levels of industry has not indicated a positive answer. We as a society, having the means, have lacked the will to take the steps which could not only end poverty but could also improve the quality of life for all Canadians.
- We ask you to examine some indications of our society's doubtful commitment to end poverty.
  - One out of five Canadians exists on an income which restricts him to a bare subsistence level.
  - (2) The Fifth Annual Report of the Economic Council of Canada states that a family of four requires an income of \$3500 a year to ensure at least a subsistence level of existence. The welfare rate in Winnipeg for a family of four is less than \$3000.00. A recent study in Winnipeg, the Social Service Audit, suggests that the "gross earnings that would be needed to achieve subsistence and adequate income standards would be, respectively, \$3806.00 and \$5158.00.
  - (3) The minimum wage in Manitoba is \$1.35 an hour which would make it more profitable for a man with a wife and two children to go on welfare.

<sup>1</sup> See Appendix "A"

- (4) Using the very low figure of \$3000.00, we find that 42% of Manitobans who filed income tax forms for 1968, received incomes below \$3000. For Canada as a whole 70% of the population earn less than \$5000.00
- (5) Inflation has been permitted to increase at the rate of 6% per year which may be regarded as an annoying nuisance for those whose incomes are more than keeping pace. For the poor these constant increases are nothing less than a disaster, and yet proposals made by the Prime Minister to combat inflation, even if it means a rise in unemployment to a level of 6%, are again going to affect the poor most adversely.
- (6) Public Assistance Plans, whether federal or provincial often exclude the working poor. Older members of this group are also least likely to benefit from programs of re-education or re-training. A man over forty who failed in school will certainly experience difficulty in attempting to re-educate at this stage. Others are unable to reach the Grade X standard required for many vocational courses.
- (7) Despite what we say about the values of education, the poor often get the worst schools and the most inadequate staff. Many teachers have middle-class attitudes and expectations, including contempt for the poor. New schools are seldom built in core areas. The number of poor children who reach University is negligible, yet whose failure is this?

Many more instances could be cited of our failure as a society to eradicate the tragedy of poverty.

#### IV THE ROLE OF SOCIAL WORK IN FIGHTING POVERTY

- 6. In spite of the statement by the Chairman of this Royal Commission at a previous Winnipeg hearing that "social workers have nothing to say", relevant to the issue of poverty, we point out that there is no group in society, other than the poor themselves, who have a closer knowledge of the effects of poverty and the forces which tend to perpetuate it from one generation to another, than do social workers. Nor is there any group, other than the poor themselves, who have a greater concern about these problems or have more steadily and consistently voiced this concern. They have not only voiced concern, they have acted on it, and have striven to convince the holders of society's purse strings of the need to initiate and enable more and more effective action. It is not that social workers have said nothing or have nothing to say, it is that they have seldom been listened to. It is not the social workers who have taken the view that the best way to reduce the numbers of people requiring social assistance is by restricting public assistance to begrudging pittances, given through suspicious, restrictive, demeaning procedures. Social workers have pointed out again and again both the hardships and the deteriorating effect of such policies on the recipients of this grudging "assistance" and on their children. The clearest demonstration of the social work viewpoint is the fact that those responsible for such programs have typically avoided employing professional social workers, categorizing them as "impractical do-gooders", and have sought instead "hard-headed common-sense administrators" to put their policies into action.
- 7. If further demonstration is needed, it can be found in the record of public statements of the professional association, both nationally and locally, in regard to matters of social policy such as public assistance standards, unemployment insurance, minimum wages, public housing policy, medicare, assistance

The Role of Social Work in Fighting Poverty -

to the aged, corrections, policies affecting native peoples, and a host of other matters.

- 8. The current fashion of making social workers the scapegoats for past failures may well represent progress, to the extent which it displaces the earlier and still prevalent fashion of making scapegoats of the poor themselves. It is nevertheless unjust and inaccurate. The companion practice of making sweeping statements that "welfare is a failure" and "welfare is a mess" are similarly unhelpful. Their effect is to group together programs which have indeed been a failure and a mess, with programs (usually small because they are usually more expensive and require greater skill and intelligence) which have shown substantial results and which hold important clues for improving future practice.
- 9. While accuracy in understanding the reasons for past failures has relevance to the future, the main question for present consideration is, of course, "Where do we go from here?" First of all, let us caution the Committee that if the government is truly serious about bringing an end to poverty it is going to have to be prepared to pay for it. The government is going to have to go ahead before there is total commitment of the Canadian people toward this end and to risk offending some people, especially those who are prepared to end poverty only if there is no dollars and cents costs to themselves. Though poverty is itself an expensive phenomenon with its cost to society in terms of the mental illness, marital breakdown, crime, physical illness and unemployment, a program to end poverty will initially also be costly. The government will have to be prepared to sell any serious anti-poverty program to the people in terms of a long range benefit, both social and economic.

The second caution which we would interject is that of expecting that a short-term concentrated program will do the job. Some of the present ravages of poverty have been building up for generations and will take at least another generation to rectify even with appropriate commitment of energy and resources. We must be prepared for a long-term commitment if we are serious about eliminating poverty.

### V SOLUTIONS - A PROGRAM TO ELIMINATE POVERTY

- 11. Because the causes of poverty are complex, there is no simplistic method for its elimination, and no single program will do the job. Poverty, which is experienced individually, is produced socially. Since the major causes are socioeconomic, the major means of attack must be socioeconomic. Social workers know that social welfare programs alone even vastly improved ones cannot do the job, but that major emphasis must be placed on economic and fiscal measures. This means that economists, tax planners, business administrators, educators, and many others must be enlisted, as well as social workers, if there is to be a successful war against poverty.
- 12. Specific initiatives and contributions are needed and should be encouraged from all these groups but the broad and interrelated nature of required planning points directly at the inevitable focus of responsibility. As in other forms of war which compel the concentration and direction of resources, the central authority and responsibility lies with government. We would comment here that while there are many kinds of social welfare programs which ought to be varied in accordance with differing regional economic conditions and cultural patterns, and thus are properly the responsibility of the provinces, nevertheless responsibility for major economic and fiscal

policies must inevitably be taken, in our opinion, together with responsibility for "trade and commerce", and "peace, order and good government", by the Government of Canada.

- and methods in the task of eliminating poverty, we suggest it is necessary to re-examine the assumptions underlying present methods of distributing income. The market economy with which we are familiar is a comparatively recent development in the history of human society. Money represents many things besides the means of obtaining goods and services essential to dignified human existence in our society. It is a means of control, a recognition of status, a recompense for value received, an incentive for future production, and an investment in potential future production. Many examples can be found of each of these different uses.
- 14. Equation of the income of a family (a unit which varies widely in the number of persons comprising it) with the amount of money which a "family breadwinner" may earn in the market-place, is an equation of comparatively recent origin. There is nothing universal, inevitable or ethically sanctified about it. We note that simpler societies recognized the value of the contribution and labor of mothers and children. Our society gives no monetary recognition to the caring and nurturing activities of mothers, and fortunately forbids labor of children to be directly marketable.
- 15. Even if we confine our observations only to the operations of the productive economy, it is amply demonstrable that a precise matching of monetary recompense to the value of the thing produced, has not proved possible. The most dramatic recent Canadian example of this fact is the government's decision to pay farmers to not produce wheat this year.

16. We suggest that two major areas of attention, and thus two major groups of policies, are necessary for successful elimination of poverty and achievement of a just society. The first area is that of the productive economy, and involves measures designed to use the tremendous technological advances now available, and to use presently unused human resources, in order to ensure maximum production of needed goods and services. The second area is the distribution of these goods and services.

# A. The Productive Economy

17. We note that the production of goods and services may take place either for direct use within our own country, or indirectly by exchange and trade. Private initiative has on the whole proved remarkably efficient in production for exchange and trade, but only partially so in producing those goods and services which have social priority for our own needs. Some goods and services may be of greater value to the community and nation than they are to particular individuals within it. Though socially necessary, they may not represent significant profit potential to business men making decisions which direct the flow of resources into a particular kind of production. Thus the direct intervention of governments has for some time been recognized as necessary to ensure the building of schools and the payment of educators, the provision and maintenance of roads, public buildings, parks, playgrounds and other public utilities, the provision of essential public health programs, including, since medicare, health services generally, and the provision of such social security and social service measures as we have to date developed.

- there is acute need greatly exceeding the existing supply are:
  housing for low-income families, day-care facilities for young
  children, care and housing for the aged, pre-school programs,
  recreational services, upgrading and vocational training, and
  homemaker and home-nursing services both for families and for
  invalid or aged individuals. We urge upon the government the
  need for substantial action to develop a nation-wide supply of
  these social utilities, adequate for the needs of the people.
- 19. We point out here the significance of a major shift which has already taken place in the economy a shift in proportion of productive energy devoted to producing goods, towards increasing production and variety of services. We are told that computerized technology cannot but increase this trend. The human resources which are necessary to produce these new human services thus are and will be available. So, too, will be the human resources which will permit a flowering of the arts. We believe that governments should proceed imaginatively to encourage the development of the arts. We look forward to re-definitions of the concept of productive work which will free and encourage more individuals to "do their own thing" with benefit to the quality of life for both themselves and others.
- In relation to the operations of the productive economy, we think it necessary to refer at least briefly to the continuing responsibility of governments to establish and maintain certain ground rules essential to health, and to the dignity and quality of life. We have in mind policies relating to minimum wages, encouragement of collective bargaining, and the supervision of standards and conditions of work. We are of course aware that under our Canadian constitution, responsibilities in this area are assigned primarily to the provinces.

## B. Distribution of Income

- 21. We turn now to examine the second major policy area policies directly concerned with the distribution of income.

  We believe it essential to recognize that a just and equitable distribution of income can only be achieved through a combination of wage income with direct social allowances. We have already noted that mothers caring directly for their children, and children themselves, are excluded in our society from wage income. Employment policies in industry and government often deliberately exclude the aging also. Further, there are many members of society who by reason of mental or physical handicap, disease or infirmity, are unable to work productively.

  A just society must provide for them.
- 22. This brings us to the concept of the guaranteed annual income. In a sense, a "guaranteed annual income" may be considered as simply another way of saying "the elimination of poverty", since the elimination of poverty means the assurance of an adequate income to all. The phrase does not in itself show us the method of achievement.
- One important component of a guaranteed annual income has already been discussed in relation to the productive economy. The provision of an adequate supply of necessary public utilities is an important part of this guarantee. However, such utilities apply only to specific needs and inevitably contain rigidities. The most flexible utility, and the one which enables the greatest individual freedom of choice is, of course, money.
- 24. Our association strongly believes that ultimately the monetary needs of the poor will be best met by the implementation of a guaranteed annual income program which would assure any family or person, of any age, position or circumstances,

of an adequate level of income. The system of income distribution based on many differing categories such as Family Allowance, Unemployment Insurance, or Old Age Security pensions are not only expensive to administer, but also result in too many exceptional cases which simply don't fall into any one category. We therefore feel that any plans to erase poverty must be geared towards some centrally administered program which would raise all family incomes to an adequate level. We see many advantages in the negative income tax system and would suggest that the presentation made to you by representatives of the Canadian Welfare Council, elaborates most adequately on this point of view.

- 25. We further submit that national fiscal policy should be constructed as a consistent interlocking system of:

   graduated taxation for those whose incomes are appropriately high, 2) total tax exemptions for a borderline wage earning group, and 3) direct allowances paid to citizens with incomes insufficient to meet a guaranteed, adequate level. We believe that individual needs and means tests should be held to a minimum, and obviously that where they are necessary that they be conducted with respect, dignity and discretion.
- 26. There are people who fear that if a guaranteed <u>adequate</u> income is provided that everyone would stop working. There are three comments we would like to make relevant to this attitude.
  - 1) Many people believe that to work is one of man's basic needs, that though now most of us work because we have to, that given the choice most people would work because they want to.
  - 2) There are those who say (and rising unemployment rates tend to confirm it) that the time is swiftly coming when fewer and fewer people will be able to work in the sense that we know it

- today. This suggests the need for change in values, possibly toward a valuing of an individual's right to contribute to society in his own way, not necessarily through production as we know it.
- 3) To guarantee an adequate standard of living for all does not negate the right of other individuals to earn more and to live at more than this adequate standard of living. It may put a ceiling on just how exaggerated this gap can become, but we would question the moral right of any man to live in extreme affluence at the expense of his fellow man.
- 27. This leads into a point of values and we question whether a serious attempt at eliminating poverty can be made without an accompanying educational program aimed at changing values to which most of us pay only lip-service. Do we really believe that each person has the right to an adequate standard of living and an opportunity for self-fulfillment, or are there some who just don't deserve this? Do we really believe that we are responsible for the well-being of one another and that the more fortunate have a responsibility toward the less fortunate even when it means demonstrating that responsibility in dollars and cents; or do we still believe that bad things happen to people because they are bad or lazy?
- 28. So, along with the guaranteed annual income and other programs which we see as necessary, should go a public relations campaign. We seem to believe that material goods rate thousands of dollars worth of advertising. Are not our human resources worth an equivalent campaign to attempt to enroll more people's support in the fight against poverty? The public response to the problem of pollution is one dramatic example of the influence of the communications media.

- 29. The above discussion of a guaranteed adequate income has been discussed here as a long range objective worthy of our hardest efforts. However, one might assume that our society's values and attitudes towards work and money are such that the long range objective will remain just that for the next few years at least. This being the case, the next, and most humane thing we must do is, not sit by and bemoan the state of our country's values, but simply start to take stock of and improve our existing social welfare programs. We stress that this should be seen only as a short term project which should eventually phase and channel all existing welfare programs into the one guaranteed income plan of which we have spoken.
- 30. Canada already has certain social security programs which give recognition to principles on which we believe a much more generous and comprehensive system should be administered. The Federal Unemployment Insurance program and Provincial Mother's Allowance programs were early examples. The introduction of family allowances twenty-five years ago was a step of tremendous significance. For the first time, Canada concretely recognized that each child born or living within its borders is of concern and value to the nation as a whole, and that the nation as a whole should be prepared to invest in providing him with necessities for his growth and well-being. However, instead of developing and assuming increasing significance, this program and the principle it embodies has withered in neglect. With the single exception of an added provision for youth between 16 and 18 years, the buying power represented by these allowances has steadily shrunk in the twenty-five years of the program's existence.
- 31. We point out that there can be no more appropriate group with whom to begin construction of a program of guaranteed annual income, than the nation's children. Children have no effective earning power of their own, and their physical,

mental and social well-being will be reflected in the state of the entire Canadian community for years, in fact generations, to come. We submit that a vigorous development and extension of the family allowance program should be an immediate priority. We suggest that it is not necessary to wait on the clarification of all aspects of a social security system in order to implement this. We believe that the Family Allowance should be declared as taxable income, hence allowing total recovery from families where it is not needed. This should hold with all universal programs.

- 32. It is our opinion that one of the factors discouraging the establishment of a more generous system of family allowances is the still widespread superstitution that such a system is a policy instrument to encourage large families. If true, this would be a valid argument against it at a time when the control of world population is a matter of urgency. However, the fact that the poor typically have larger families than the well-to-do should demonstrate the fallacy of the argument. People who have little hope, and do not believe that any action of theirs will improve the future, do not plan their families, as they frequently do not plan for the future in other aspects of their lives.
- important building-block towards the guaranteed annual income would be a system of allowances paid to mothers, embodying a principle distinct from present family allowances which are paid in trust for their children a system of allowances payable to mothers themselves in recognition of the social value of their labor in caring for their children. We do not suggest or believe that all mothers should devote themselves exclusively to this task. On the contrary, we have pointed

out the need for improved day-care facilities and homemaker service programs which would provide an alternate means of care. We do, however, point out that during the time they are caring directly for their children they cannot also engage in economically productive, that is, wage-productive, employment. We believe that women should have a choice in this matter, and that their own, their children's and society's well being would be promoted by their freedom from compulsion in either direction. We point out, that according to administrative preference, such allowances could either be made universal, with the concurrent requirement that working mothers pay towards the cost of alternate care for their children, or day care could be provided as a freely available social utility, and allowances paid only to "at home" mothers. Very possibly, a universal system integrated with the present family allowances would prove preferable.

- 34. In relation to Canadians over the age of sixty-five, we have come closer in this country to accepting and implementing the principle of guaranteed annual income than for any other group. We cannot yet be satisfied with our achievement. It may nevertheless be true that the most urgent priorities of need for the aged may be provision of additional social utilities, along with increased opportunities for part-time productive employment.
- 35. Many of the aged, and many others in our society some of them handicapped persons, some of them married women and others young people still engaged in a lengthy educational preparation for full-time work status, feel stunted in their personal development by exclusion from the socially recognized system of productive work. We suggest that a clear recognition of the principle that wage income need not be the total income, and thus

a re-direction of our efforts away from the attempt to make wage income match total individual or family need, would remove many obstacles now faced by such people. We again stress the need to develop an integrated fiscal policy, in which wage income, personal taxation, and direct allowances are viewed together, and through which an adequate level of income is assured for all.

- 36. In the previous paragraphs we have stressed, and deliberately so, the principle of universality, and the broad social measures we see as necessary to the elimination of poverty. We must now, however, draw attention to situations of special and intensive need which exist within each broad category. We do not see the principle of universality and the recognition of special need as contradictory principles, but rather as complementary.
- 37. As social workers, we have specific experience with situations of special need. We have clearly stated our preference for social policies which hold to a minimum any requirements for individual budget reviews, and we have stressed equality of rights and opportunities for all citizens.
- 38. However, we must now point out that it will not be enough to provide equal opportunities in the expectation that all Canadians will be equally able to take advantage of them.

  Among us are living many who have suffered years of deprivation and social and personal conditions which have seriously harmed them. Their parents before them have suffered similar conditions. They have not been unaffected by their experiences. Just as a patient with acute physical illness requires special treatment, often involving an "intensive care unit", so do the victims of acute social and personal ills. This inequality of fact is as real as is the equality of right. Failure to recognize it can only result in the fate of previous well-intentioned efforts -

the socially healthy and advantaged become more socially healthy and advantaged; those with the greatest need do not. A simple medical parallel is found in the treatment of a child with an acute disease of malnutrition, kwashiorkor. It is not enough merely to place food before the victim of such a disease, even though the disease would have been prevented had food been given earlier. Now the child must for a time have special nutrients, fed nasally, before he can eat as a healthy child would eat.

39. In spite of its comparatively brief existence as a profession, social work has nevertheless acquired a considerable body of knowledge and experience in the treatment of the socially ill.

As in the treatment of the physically or mentally ill, new discoveries continue to be made, but most important factor by far is the consistent and determined use of what is already known. Social workers are eager for the opportunity to apply their particular knowledge and skills as a special battalion in a total war on poverty.

## C. Citizen Participation

heartedly the development of the Welfare Rights Movement and other citizen's action groups such as the Winnipeg Tenant's Association. Such organizations provide opportunities for the poor to organize on their own behalf. Indeed, many of these groups across Canada have been initiated by social workers.

Many have developed to the point where their members can speak confidently with public officials, cabinet ministers and even Senators. Participation in this type of social action, or in any number of possible community action programs can lead to long over-due reform in the welfare system. At least equally important it can make a person feel that he or she really counts

for something. After years of degrading and humiliating experiences removed from every sector of society this is a welcome change indeed.

41, Yet this type of experience is available to only a few among the many millions of the poor. At this point in time only a beginning has been made to involve the poor. Employment opportunities for them should receive top priority particularly in the fields of health, the social services and education where personnel are so much needed. In each of these areas their own experience of poverty provides a potential for understanding, not always found in the respective professionals. Much more than token participation in Boards of Directors needs to be provided. Ways must be found to overcome the present stratification of Canadian Society. We believe that a genuine reaching out has begun which may eventually overcome some of the barriers which separate economic classes. A real change though will not occur until present economic disparities are removed.

## COMMUNITY DEVELOPMENT BANKS

These would be modelled on the World Development Bank with the objective of providing loans to citizens groups for the purposes of financing local projects of community improvement. All too often in the past such groups have devoted months to the collection and assembly of data to validate the need for a community resource only to be put off by red tape, lack of interest by public officials or genuine lack of funds. Whatever the reason, valid or invalid, the disappointment of those who had made an honest and wholehearted effort to gather data, involve the community and write a report, could only feel a profound sense of disappointment and defeat.

43. Our contention is that the present system of distributing funds for community projects is paternalistic depending, as it does, on currying the favour of politicians. We feel that community groups should have the same opportunity to borrow as do other segments of society. It would be necessary to work out formulae which would permit the community group to repay only a fixed portion of the loan. We feel that many worthwhile projects could be initiated in this manner.

### VI THE CANADA ASSISTANCE PLAN

44. We wish to comment directly on the Canada Assistance Plan. It holds a lot of promise but has not been used to its best advantage for obvious reasons. The first of these lies in the inherent weakness of the plan itself which requires Federal-Provincial cost sharing on a fifty-fifty basis. This has prevented some of the poorer provinces from taking full advantage of the plan. The withdrawal of funds by the Federal Government has further made it impossible for some of the provinces to develop the programs envisaged by the legislation. Provinces are also reluctant to institute new programs however beneficial when the Federal Government has publicly suggested the possibility that its own participation will be withdrawn in 1973.

We recommend:

- 45. (1) That a new cost sharing agreement be drawn up which would take account of regional disparity. Such an agreement should be based on a formula based on per capita income or some other accepted measure of relative wealth.
  - (2) That the Federal Government maintain its traditional role of providing grants-in-aid and, through this, leadership

in establishing uniform benefits for all citizens of Canada. Withdrawal from participation in any or all of the present-shared cost programs can only result in a lowering of standards.

(3) That the cut-backs instituted by the Federal Government should be restored.

## VII TAX REFORM

- 46. All of the foregoing depends on an enormous increase in social investment. This is going to mean a much greater input of new money, not merely different allocation of the same amounts of money now spent on welfare programs (although there is admittedly a need to examine expenditures on present programs). Where is the money to come from?
- 47 Our Association proposes the following as a minimum and beginning program.
  - (1) An emphasis on broadened taxation on income and wealth. This would include corporate as well as private income and wealth.
  - (2) Such a program would include a tax rate structure which is progressive, particularly in the area of corporate wealth. This would provide resources for investment in regional development as envisaged in the Speech from the Throne of 1965 mentioned previously.
  - (3) We endorse the feature of the government White Paper which reduces taxes for low income groups. However, this provides for a saving of only \$2.50 a week for a family with an income of \$4,000.00 per year. This does not go very far on the weekly grocery bill. The principle should be extended to provide total exemptions from income tax for those with incomes below the poverty level (as defined by

- the Economic Council of Canada). To put this another way it is grossly unfair to tax a person who is already living below the subsistence level.
- (4) We further endorse the principle embodied in the White

  Paper which would treat capital gains as taxable income.
- (5) We commend the intent of the White Paper to close tax loopholes which are available to the wealthy, and also to eliminate overly liberal provisions for expense account deductions.
- (6) We commend the new deductions proposed to benefit wage earners and working mothers.
- (7) We further recommend the progressive removal or reduction of those taxes which place the heaviest burden on the low income groups particularly property taxes and sales taxes imposed by the various levels of government.
- (8) We recommend the removal of such practices as tax holidays and massive loans to private corporations. These should be replaced by public investment in such companies or corporations but not to exceed a percentage which would remove the control from private hands.

## VIII CONCLUSION

- In our presentation we have not elaborated at any length regarding the existence or the effects of poverty. We assume that you are already well aware of these facts. Neither have we attempted to offer detailed blueprints for anti-poverty policies, for it is our belief that the details of the needed reforms in the areas of taxation, wages and social allowances can most effectively be worked out by experts in these fields. What we have offered is:
  - Our belief that the problem of poverty can be ameliorated,

Poverty

- Broad policy suggestions whereby this could be achieved,
- 3) The committment of our profession towards achieving this goal.
- 49. We firmly believe that the necessary answers and resources are available. What is now needed is the conviction of sufficient Canadians to start implementation. The war on poverty must be fought first in the minds of us all. The war will be won when enough Canadians believe that poverty can be beaten and are prepared to make the sacrifices necessary to do it.

## APPENDIX "A"

We chose an hypothetical family of four; a mother, a four year old, a three year old, and an infant. While exact budgets are impossible to calculate due to certain discretionary programs which exist within any welfare department, we calculated such a family to receive \$228.00 per month from the City of Winnipeg Public Welfare Department, in the winter months. This hypothetical family was assumed to live in a four room, unheated, unfurnished home. Without deducting the saving in fuel costs for the summer months, this would amount to approximately \$2750.00 per year.

The breakdown of a monthly budget for this family is listed below.

1.	Household and personal	\$ 17.00
2.	Food	81.00
3.	Utilities	9.00
4.	Rent	75.00
5 .	Heat	20.00
e.	Clothing	26.00

\$ 228.00





Third Session—Twenty-eighth Parliament
1970

## THE SENATE OF CANADA

PROCEEDINGS OF THE SPECIAL SENATE COMMITTEE ON

# **Poverty**

The Honourable DAVID A. CROLL, Chairman

No. 2

TUESDAY, OCTOBER 20, 1970

## MEMBERS OF THE SPECIAL SENATE COMMITTEE ON POVERTY

The Honourable David A. Croll, Chairman

The Honourable Senators:

Bélisle Hastings Carter Inman Connolly  $(Halifax\ North)$ Lefrançois

Cook MacDonald (Queens) McGrand

Pearson

Sparrow

Quart Roebuck

CrollEudes Everett Fergusson  ${\bf Fournier}\;({\it Madawaska-Restigouche},$ 

Deputy Chairman)

(18 Members)

(Quorum 6)

## Orders of Reference

Extract from the Minutes of the Proceedings of the Senate, Thursday, October 8, 1970:

With leave of the Senate,

The Honourable Senator Croll moved, secondly by the Honourable Senator Fergusson:

That a Special Committee of the Senate be appointed to nvestigate and report upon all aspects of poverty in Canada, whether urban, rural regional or otherwise, to define and elucidate the problem of poverty in Canada, and to recommend appropriate action to ensure the establishment of a more effective structure of remedial measures:

That the Committee have power to engage the services of such counsel, staff and technical advisors as may be necessary for the purpose of the inquiry;

After debate, and-

The question being put on the motion, it was-

Resolved in the affirmative.

That the Committee have power to send for persons, papers and records, to examine witnesses, and to report from time to time:

That the Committee be authorized to print such papers and evidence from day to day as may be ordered by the Committee, to adjourn from place to place, and notwithstanding Rule 76 (4), to sit during sittings and adjournments of the Senate;

That the evidence taken on the subject during the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Bélisle, Carter, Connolly (Halifax North), Cook, Croll, Eudes, Everett, Fergusson, Fournier (Madawaska-Restigouche), Hastings Inman, Lefrançois, MacDonald (Queens), McGrand, Pearson, Quart, Roebuck and Sparrow.

Robert Fortier, Clerk of the Senate.

# Minutes of Proceedings

Tuesday, October 20, 1970

Pursuant to adjournment and notice the Special Senate Committee on Poverty met this day at 9.00 a.m.

Present: The Honourable Senators: Croll (Chairman), Carter, Fergusson, Fournier (Madawaska-Restigouche), Hastings, Inman, McGrand. (7)

The following witnesses were heard:

St. Vincent de Paul Society of Canada:

The Honourable Judge Gérard Lemay, President of the Men's Superior Council;

Mr. Patrice Thomas Boudreau, Member of the National Executive Council:

Mr. Claude Leduc, National Vice-President:

Mr. Paul Goulet, Executive Director of the National Council;

Mr. Edward Swimmings, Ottawa Council;

Mr. Paul-Emile Lauzon, Hull Council;

Mr. Harold Duggan, Ottawa Council;

Mr. Roland Joyot, Council of France.

The Town Planning Institute of Canada:

Mr. George Atamanenko, Brief Coordinator and on staff of the Capital Regional District Planning Board of British Columbia;

Mr. Antoine Prévost, Executive Director;

Mr. J. Lehrman, Secretary Treasurer.

The briefs presented by the St. Vincent de Paul Society of Canada and The Town Planning Institute of Canada were ordered to be printed as appendices "A" and "B" to these proceedings.

At 12.05 p.m. the Committee adjourned until Wednesday, October 21, 1970, at 9.00 a.m.

ATTEST:

Georges-A. Coderre, Clerk of the Committee.

# The Special Senate Committee on Poverty

## **EVIDENCE**

Ottawa, Tuesday, October 20, 1970.

The Special Senate Committee on Poverty met this day at 9 a.m.

Senator David A. Croll (Chairman) in the Chair

The Chairman: Honourable senators, our first brief this morning will be presented by the Saint Vincent de Paul Society of Canada. On my right is the Honourable Gerard Lemay, Judge of the Quebec Provincial Court, and President of the Men's Superlor Council of the Society in Canada. He will introduce the other members of the delegation and call upon Mr. Boudreau to make the presentation.

#### [Translation]

The Honourable Mr. Justice Gérard Lemay, National President of The Saint-Vincent de Paul Society of Canada: Mr. Chairman, Members of the Senate, on August 30 last, in Quebec, the Society had been called to submit its brief. At that time I asked you for a postponement for an excellent reason, this being that the English version of our brief was not completed at that time. We are only an organization of ordinary men doing ordinary things. The members of the Society are volunteers, and for this reason, we had not yet had time to complete the English version of our brief and we had not asked our English-speaking colleagues to accompany us. Those are the reasons for our asking for the postponement that was granted to us. You now have before you the English version and I have the honour of being accompanied by several English-speaking colleagues.

It would not be superfluous to note here that since the very beginnings of the Society—a century and a quarter ago—the members of the Society have been English-speaking Vincentians and French-speaking Vincentians and deep-rooted in us is this thought of John XXIII, pronounced to the Canadian nation scarcely one month before his return to the Home of the Father:

You Canadians have a country at the height of ambition; you are the heirs of the two greatest races and cultures that humanity has produced until now. Why not join that heritage together, why not participate fully in everything that that common heritage offers you, that providential heritage offers you.

In compliance with the spirit of the Society, the spirit of the rule adopted by its founders, the Saint-Vincent de Paul Society has worked for the past century and a quarter in the shadows, without flashy publicity, without other advertising that that very discrete advertising which opened the pocketbooks of the more fortunate so as to enable it to continue its work.

Today the Society is breaking its discrete silence and is appearing before the Senate Committee because it believes that this departure from the established rule may serve the interests of the poor to whom it is dedicated. Nor did it want to let this opportunity slip by to puclicly express its gratitude to those responsible

for this commendable initiative and its hope, not to say conviction, that the work of your committee will open the way for a better life for the multitude of the less fortunate ones.

Moreover, one of our members, the main craftsman of this brief, Mr. Patrice Boudreau of Quebec, will explain to you the main outline of the document of which you already have a copy.

Before turning this discussion over to him, I would like, with your permission, to introduce the members who are with me at this time. First to my right is Mr. Patrice Boudreau of Quebec, who is a member of the executive, and who, as I said a moment ago, is the main craftsman of our brief. Mr. Claude Leduc of Ottawa, president of the special Council in this city, national vice president of the Society and also representing the Ontario provincial Council. Mr. Paul Goulet of Quebec, the second from the last, executive director of the National Council of the Saint-Vincent de Paul Society and of the diocesan Council of Quebec.

Also accompanying us are Mr. Swimmings of Ottawa, Mr. Paul-Emile Lauzon of Hull, Mr. Harold Duggan also of Ottawa, and finally, one of the representatives of the General Council of Paris, colleague Roland Jayot of France.

Mrs. Marie-Claire Letarte who is international vice president of the Society for the three America's and president of the women's section, was to be with us, because the Society is also, in addition to being a society made up of English- and French-speaking Vincentians, as I mentioned a while ago, also has a very active women's section. Mrs. Letarte who is its president and also the international vice president was supposed to be with us; unfortunately at the last minute she was unable to be here. Such is the case also for Mr. Claude Neveu, national director of the Society and president of the Central Council of the Diocese of Montreal, for Mr. Roger Galoz of the Ontario Provincial Council and for Mr. Maurice Ouellette of Chicoutimi.

Still with your kind permission, and before turning the discussion over to Mr. Boudreau, may I perhaps reveal a fact to you which you undoubtedly are unaware of, ladies and gentlemen; the late Cyrille Vaillancourt, who died less than a year ago, was a member of our Society for more than half a century. It was not until 1967 that he resigned from his duties as president of the special Council of Levis and the South Shore, after reaching the age of 75, the retirement age for Vincentians.

Such was previously the case for Senator Bourgeois of Trois-Rivières.

I would now like to ask Mr. Boudreau to briefly explain the main points of our brief. Mr. Boudreau.

## [Text]

Mr. Patrice Thomas Boudreau, Member of the National Executive of the St. Vincent de Paul Society of Canada: Honourable Mr. Chairman, lady and gentleman members of this committee, I believe the first thing that should be established is the fact that none of us, on an individual basis, claims to be an expert on the question of poverty.

The brief that we are submitting this morning is a result of a survey that has been made among the 859 conferences of the St. Vincent de Paul Society in Canada, and those who have written the report have not invented anything. I think that should be made clear.

Our presentation to your committee consists, in reality, of but one basic recommendation which sums up, as it were, the feelings of the St. Vincent de Paul Society of Canada on the question of poverty. All other recommendations contained in our brief stem from this one basic proposition, and hardly apply unless the latter is in some form or another implemented in the nearest possible future. This proposition is that the federal Government initiate serious study of the possibilities of establishing in Canada a universal plan of guaranteed minimum annual income.

May I insist on the wording of our recommendation? We have not felt that any of us has the necessary qualifications or the means at his disposal to undertake the type of specialized research that would enable us to put forward a specific project with regard to the means of achieving such an objective. Our aim was rather to make known to you, and to the Canadian public in general, our unalterable belief in the principle involved.

I do not believe I have to insist on the fact that we are aware, as are you all, of the difficulties involved on a practical basis. We in the Society of St. Vincent de Paul feel strongly—and we do so as a result of a century and a quarter of practical experience in the service of the poor—that the real work of rehabilitating socially and economically the poor and underprivileged of this country can only start after you have satisfied the basic, vital needs and have done so in such a manner as will respect their dignity as human beings.

May I further point out that in the Canadian context of the seventies the vital necessities of a Canadian citizen involve considerably more than the mere maintenance of the strictest minimum of physical wellbeing. That is why our brief suggests that a guaranteed annual income be realistic and subject to regular adjustments, in line with the increases in the cost of living.

In a fairly recent public declaration the Honourable Gérald Harvey, Minister of State in the Quebec Cabinet, explained that the new provincial social aid bill to be implemented next November 1 would be—and these are his exact words—"almost the equivalent of a guaranteed minimum annual income".

Thus the idea is becoming more and more universally accepted. It is now necessary, however, for us to find a way of implementing this new social measure in such a way as will not make it necessary on the part of the poor and the underprivileged to concentrate their efforts on convincing the public authorities of the extent of their own degradation.

I do not think I have to insist on the fact that under the present circumstances—when doctors will not be satisfied with \$52,000 a year, when our judges are requesting \$50,000 a year—

Judge Lemay: We are not requesting that!

Mr. Boudreau:—when professional athletes are demanding, and obtaining, fabulous sums, while the man in the street has to pay up to \$15 to attend some of our professional sports events—under such circumstances, how long do you think society will tolerate conditions such as exist in some of our Canadian provinces, where, until quite recently at least, the minimum hourly wage, as regulated by law, did not exceed \$1?

This having been said, I may now proceed to read summarily some of the major recommendations that we have made—and I would like again to repeat the remark that all other recommendations are dependent, to a certain extent, on the implementation of the first one which has been outlined:

That Unemployment Insurance benefits be no longer based on the value of the stamps earned but on the weekly average represented by the actual income of the claimant during the calendar year immediately preceding his period of unemployment.

Our actual method of determining the benefits paid a claimant under the Unemployment Insurance Act works on the condition that you have full-time employment, normally, but it definitely does not work in the case which applies to thousands, if not hundreds of thousands, of Canadians, who are employed seasonally. I am thinking of fishermen, of men working in the lumber industry. During the early 1960's I was living in a rural community in Nova Scotia, and I would not like to make the names public, but they are available if you want to have them. I saw two brothers, one of whom was employed by the Nova Scotia Power Commission working 48 hours a week, day and night, in any kind of weather, Sundays and week-days, getting \$33 a week. His brother, who was a fisherman and who had been in a position to earn a number of important stamps during the summer season, was sitting alongside his fireplace and getting \$36 a week.

If you have read our presentation, you will realize that very few of our recommendations, outside the basic one, are addressed to the federal Government. All the others apply to the provincial governments.

We are recommending that the provincial governments make an all-out effort to guarantee to all classes of society, access to free education at all levels up to and including the university level.

We recommend that provincial governments institute subsidized apprenticeship training programs in the various trades and in all three sectors of economic activity.

We further recommend that provincial governments take immediate steps to provide the many individuals and families, transplanted from a rural environment to an urban community as a result of Canada's industrial development, with the means to ensure their profitable integration into their new surroundings.

We recommend that provincial governments multiply the number of available camping grounds and amusement parks, and proceed immediately to the systemagic training of group sports promoters and instructors.

We recommend that provincial governments make every effort to develop and modernize available hospital and medical services, already guaranteed or about to be guaranteed by law, in order that they may become accessible, at all times and anywhere in Canada, to all classes of citizens.

We recommend that provincial governments undertake the recruiting and training of vast numbers of social workers whose responsibility it would be to bring counsel to individuals and couples, families and aged persons, and suffering and unfortunate people of all categories, to help them find solutions to their personal and collective problems. This recommendation, we feel, is extremely important.

That provincial labour laws be so amended as to provide all workers involved in labour disputes the opportunity of declaring

themselves in favour of, or opposed to, strike action by means of a referendum supervised by local Department of Labour officials, and the right to cast their vote in the relative calm of their own homes, confronted with their family responsibilities and far removed from the influence of professiobal agitators. A further amendment should provide that strike action would be legally authorized only on the condition that 50 per cent plus one, not of the persons casting ballots but of the workers duly inscribed on the official list of the union involved, declare in favour of such a measure.

We recommend that provincial governments strive, by every means at their disposal, to convince the major labour groups of the necessity of consenting to a period of catching up, during which period every effort should be made to consolidate advantages already obtained and to extend the benefit of such advantages to the great number of non-unionized workers who are still without any kind of protection. We make this recommendation at a time when our organized workers are asking and obtaining up to \$7 and \$9 an hour in some cases while our retail outlets are still hiring help at less than \$35 a week—and I can name you names.

We recommend that provincial governments give consideration to the possibility of establishing in the near future a contributory form of legal assistance plan similar to, though of less importance than, hospitalization or health insurance.

I would like you to realize how important this last recommendation is to the society of Saint Vincent de Paul. For years the concern of the Society of Saint Vincent de Paul has been for the victims of the public administration of justice as well as for ex-convicts.

That provincial governments provide financial assistance to those organizations which voluntarily donate their services to the welfare of prisoners not only during their stay in prison but also following their release.

Our final recommendation is one which we can consider to be one of the most important. In its work with the poor of Society of Saint Vincent de Paul is in a position to realize the inequity and the inequality of treatment as between neighbouring municipalities because we have turned over to the municipalities the responsibility for looking after the poor and the underprivileged.

This recommendation is that municipal governments be no longer called upon to assume any financial responsibility in the field of social security, and that their role be limited to the maintenance of such quality of public utilities and services as can only be guaranteed by mobilizing all available financial resources.

What is implied in this final recommendation is particularly true of certain provinces of Canada, and here I am thinking of Nova Scotia, Prince Edward Island and, until quite recently, New Brunswick, where you have county municipalities, and where, because of the responsibilities that the municipalities have to bear in the field of social welfare, real property has to be taxed to the extent that it becomes impossible for the common man to own any property much less keep it in sufficient repair.

That, Mr. Chairman and honourable senators, is our submission to your committee. I should like to insist once again that none of us are experts—at least, we are probably far less expert than you are at this time—but this is a summary of the opinions expressed by the thousands of members of the Saint Vincent de Paul Society of Canada from Halifax to Vancouver.

The Chairman: Mr. Boudreau, before we commence putting our questions to you I would say that you are a breath of fresh air and, more than that, you have done the Society credit. The committee will have something to say about that later on.

Senator Fournier: Monsieur le Président, messieurs les membres du comité, after listening to Mr. Boudreau it seems to me that this is a time to be silent. I do not really know what to ask or what to say, except that it is too bad that Mr. Boudreau could not make this kind of declaration before a higher authority. The people who have the actual control, the Government members, should hear what Mr. Boudreau has to say. They are the ones who are actually making those laws, many of which are stupid, being the results of decisions taken quickly, and providing nothing but a temporary solution. A short time later we find ourselves back into the same trouble.

The experience of this committee has proven that that is so, and this lecture that we have heard this morning makes us realize more than ever that this is the fact.

I agree entirely with what Mr. Boudreau has said, and this covers a lot of ground. From personal experience in New Brunswick and in other parts of Canada, and from reading the number of briefs that we have received and hearing the people whom we met throughout the summer who told us the very same things, although not in such a forceful or penetrating way as Mr. Boudreau told us this morning, I can do nothing but agree with what he has said.

When it is realized that we can spend \$30,000 to create one job, I sometimes wonder whether we are going in the wrong direction. We even spend more than that, because I have read in the papers of instances where we have spent millions of dollars to create 60 or 65 jobs. Such an expenditure indicates that there is something wrong with our thinking. I agree with your brief's emphasis on education. Nevertheless, we must not forget that there are non a great number of uneducated people. The upgrading system was a failure as far as I am concerned as a former teacher. It did some good in certain cases, but it was very limited. We must accept the fact that we have in Canada, in New Brunswick and everywhere else, people in their forties, married with five or six children and a minimum education to grade 4 or grade 5 and we cannot change them. We have to provide for them decent employment and occupations.

Manpower has been very much misdirected in requiring grade 12 for barbers, truck drivers and like occupations. There is some good in this, but we have to apply the method to the purpose and worry about tomorrow today. The problem of yesterday is here today.

## [Translation]

I have been aware of the Saint-Vincent de Paul for a number of years, as you know.

I may not have been a member but I have associates in Montreal who are members and are very active in it.

It is a great organization of devoted people, believe me. I have friends in Montreal who devote all their leisure and recreation time to La Société de Saint Vincent de Paul, working under the most difficult conditions, for which I admire them. However, that does not solve the problem. You can work and work and work and work, but you are just carrying on the load from day to day. You

are just helping, but not doing much to remedy the situation. On ne guérit pas des bobos du jour au lendemain.

I am not asking questions; I am making a speech and I know I am entirely wrong in doing so. However, I wish to express my opinion with regard to some of these matters and to assure Mr. Boudreau that I and the majority here agree with and share your views. It is a big problem and we do not know yet how it will be overcome. We may have minimum income, which is a serious problem and you are all for it, for which I give you credit. The problem is to persuade the public to accept it. The people who pay do not share your views, because they are not in direct contact with the poor. They just pay and look at their dollar and it is not going to be an easy problem to sell it to the public. This is due to an attitude or thinking that some poor people are poor because they wish to be and some deserve to be poor. I hate to say this, but we have heard it and I myself have heard it outside this committee. Then, on the other hand, the people who pay for all this become annoyed.

It is not an easy problem for this committee; we deserve a lot of sympathy. We are trying hard day and night and our task is far from complete. We spend billions—we are not talking in terms of millions, but billions of dollars—and I have my doubts whether this money always goes to the right places. For every dollar that reaches the poor man how many are wasted along the line through administration and duplication of administration? There is a tremendous amount of duplication in all administrations. I had better quit at this point.

The Chairman: You are quitting ahead, of course, which is very good. Mr. Boudreau, would you like to comment on Senator Fournier's remarks?

Mr. Boudreau: You have, Mr. Senator, opened the door for me which I hoped you would. That is when you mentioned that the public in general is under the impression that some people deserve and some like to be poor. You will notice a reference to that in our brief.

As a result our survey we discovered that with the exception of certain districts in Montreal up to 29 per cent of poor people are satisfied with their condition.

Senator Fergusson: The brief quotes 25 per cent.

Mr. Boudreau: It is at least 25 per cent; it averages to 25 per cent. However, in fact in some places it went up to 32 per cent satisfied with their condition. Their only ambition is to increase their social welfare.

Another aspect of this is that in many cities in Canada the Saint Vincent de Paul Society assists the fourth and fifth generations of families which have established a tradition of poverty. This has become a genetic illness and it will take three generations before we can correct it. We must start now, because whenever we start it will still take three generations. This is a social sickness, traditionally established. Those people cannot be blamed; they deserve pity. They should not be censured, but treated. They need psychiatric treatment.

That is the basis of our recommendation, that before we can start any kind of work towards social rehabilitation of people in that category we must—and we did not invent this, Jesus Christ himself did it before preaching to his people, he fed them—satisfy the basic, vital needs. Otherwise, and again present events give very special meaning to what I say, if we fail to satisfy these

basic, vital needs before starting the work of social rehabilitation the efforts at social animation cannot accomplish anything except to drive these people to violence and revolution.

Senator Carter: I should like to express my appreciation of this brief, and also the fact that so many members of this society have taken the time and trouble to cone here this morning out of their busy lives to support it. I also wish to congratulate them on distinguishing between what falls within the jurisdiction of the provincial government and what falls within the jurisdiction of the federal Government. We have had many briefs that have not made that distinction, that have assumed that the federal Government is all-powerful and can take whatever steps they chose to recommend.

The big recommendation of this brief to the federal Government is the guaranteed annual minimum income. I presume you envisage that on a scale geared to the size of the family. Is that correct?

Mr. Boudreau: Exactly, because as you will notice, without, as I have explained, being in a position to recommend a definite project, we have submitted that it should be according to the negative income tax formula.

Senator Carter: That is the method of administering it.

Mr. Boudreau: That is right. That is, the amount arrived at for the purpose of establishing the guaranteed annual minimum income would be dependent on the number of dependents, on the exemptions normally allowed if a person has a taxable income.

Senator Carter: Do you have any scale in mind for, say, a family of two, three or four that you think should be adopted?

Mr. Boudreau: I think that is one of the most difficult problems to solve, because there you get into the problem of zoning. In Montresl a family of three needs a minimum of, say, \$3,600 to live decently. In certain sections of Nova Scotia and New Brunswick or the lower Gaspé peninsula, \$3,600 would be a lot of money. That is one of the major basic difficulties.

Senator McGrand: Do you say it would be a lot of money?

Mr. Boudreau: It would not be a lot of money, but-

Senator Hastings: Are they not both Canadians, whether they are from Nova Scotia or Montreal? We do not do that to the old age pension. The man in Newfoundland gets the same old age pension as the man in Calgary.

Mr. Boudreau: He gets the same unemployment insurance.

Senator Hastings: That is right. Why do you want to zone him now?

Senator Fournier: No, he does not want to zone him.

Mr. Boudreau: No, I don't want to zone him.

Judge Lemay: Oh no, definitely not.

Mr. Boudreau: No. I am establishing the fact that it is an extremely difficult problem, because it involves a question that must be tabled and discussed.

The Chairman: Mr. Boudreau, just wait one minute, because we do not want to misunderstand you. I misunderstood you, as Senator Hastings did, and Senator McGrand caught you up quickly too when you started talking about incomes. You talked about basic needs.

Mr. Boudreau: Yes, basic needs.

The Chairman: Basic needs, such as food, clothing, shelter, utilities, right down to the basic needs. Is there a great difference between the basic needs of the man in the Maritimes and the man in Ontario?

Mr. Boudreau: Not if you interpret basic needs to mean purely physical needs, such as bread, water and the basic necessities of life. As I have tried to explain, and as we have tried to explain in our brief, in the 'seventies the basic vital necessities of a Canadian citizen involve more than that.

The Chairman: What more? Just tell me what you mean by more.

Mr. Boudreau: It involves being able to obtain an education, being able to attend a sports event once in a while.

The Chairman: It involves getting medical care, health care, dental care and education. Where is the distinction between a man in the Maritimes and a man in Ontario? He pays the same rate of taxes to the federal Government. As Senator Hastings pointed out, he gets the same unemployment insurance wherever he lives, in percentage; he gets the same family allowance. Why do you draw a distinction?

Mr. Boudreau: The point I was trying to make—peut-être que je devrais parler en français, je m'expliquerais mieux.

Senator Fournier: Let me add this. I think some of the senators misunderstood Mr. Boudreau—

Mr. Boudreau: It was not my intention to make a distinction between Ontario and Nova Scotia. It was my intention to distinguish between, for instance, a family living in Montreal and a family living anywhere in a rural district, where most people own their own houses. My mother-in-law lives in Nova Scotia. She gets \$109 a month old age pension. In Montreal an elderly person getting \$109 a month would starve, because you cannot even start paying for an apartment on that. My mother-in-law saves money on \$109 a month. She has her own home.

Senator McGrand: In what part of Nova Scotia does she live?

Mr. Boudreau: She lives in Cape Breton. I did not want you to attach more importance to that part than any other. That is not the point I was trying to make. I was only trying to establish the fact that it is not easy to establish a guaranteed minimum income that will apply universally from one end of Canada to the other. If you establish, for instance, that a married couple needs \$3,000 or \$3,600 to live decently, some people in certain parts of Canada will say, "Oh, this is going to be heaven", but people in Toronto or Montreal will say, "What the hell! This is not starting even to solve our problems." That is what I meant.

The Chairman: Stop there. Does that not apply to old age security, must as you said? Does not what you said apply exactly?

Mr. Edwin Swimmings, La Société de Saint Vincent de Paul: Yes, it does.

Mr. Boudreau: Of course it does.

The Chairman: As a matter of fact, is it not accepted by the Canadian people generally as being the right thing to do?

Mr. Boudreau: Yes.

The Chairman: In principle, I mean, the objection to the old age security is the amount, is it not, not how it is distributed.

Mr. Boudreau: I would not say that is the reason it is accepted in general. As far as I am concerned—and once again, I am not an expert on this—it is accepted in general because the amount of good that it does exceeds the evil it carries with it. To a certain extent the same thing would apply to the universal old age pension.

The Chairman: You are talking about the universal income?

Mr. Boudreau: Yes.

The Chairman: And the same thing would apply. Let us assume the man in Montreal with three or four children is receiving \$X and the man some place in Cape Breton, or any other place, is receiving the same amount. It does make for some redistribution of wealth, does it not?

Judge Lemay: Yes, sure.

The Chairman: It does produce some greater consumer spending for local authorities, does it not?

Mr. Boudreau: Yes.

The Chairman: Whereas your mother-in-law is a very saving sort of a woman most of the time and the money is likely to be spent from month to month.

I notice that you are connected with a department which is very highly agriculturalized and you know what the lack of distribution would mean. Isn't this one of the things that we owe to the poor parts of Canada and one way in which we could help them a little bit from the conditions they are suffering from at the present time? What I mean is to give them a minimum so it is a little higher in some places.

Mr. Boudreau: Honourable Mr. Chairman, I believe that we are discussing the same thing, because I have not tried to establish the fact that there should be zoning. I have tried to establish the fact as to how difficult it is to arrive at a standard amount of money that will satisfy—I didn't say it should not be done—people in Victoria, B.C., as well as people in St. John's, Newfoundland. That is the only point which I strived to make.

The Chairman: You made your point, Mr. Boudreau, but we in the committee realize that no matter what we do we are not going to satisfy those people, however, we must make a decision.

Senator Carter, I am sorry to have interrupted; this is your witness.

Senator Carter: The reason I asked that question was that, looking at section 16 on page 12, you make this statement:

Regional disparities and countless other factors, impossible to evaluate, preclude the adoption of such arbitrary standards.

I took that to mean, as far as welfare assistance is concerned, that they should be geared to regional conditions rather than a standard?

Mr. Boudreau: Not necessarily. I do not think, Mr. Senator, with all due respect, that that particular statement should be taken out of context. If you read it closely you will realize that what we are trying to say is that there is no possible definition of poverty. What we are questioning is the definition of poverty on an absolute basis as put forward by the Economic Council of Canada. We cannot accept that, because poverty is more than that. You can be poor with an income of \$65,000 a year; you can be poor with an income of \$1,500 a year. That was in keeping with the policy of the Society of Saint Vincent de Paul, because we are not only interested in the poor materially, but also interested in the cultural life in all types of poverty. That is what we wanted to insist on in that particular paragraph. Maybe it was not put the right way.

Senator Carter: I can see that you are illustrating that a person can have \$3,000 for a family of two and be in poverty in one area of the country and not in poverty in another. I think we accept that. We do not think of poverty solely in terms of material poverty. I think one of the things that we are considering is not only the material satisfaction of material needs, but at the same time to enable this person to get back into the main stream of the life of his community. A person may have money to satisfy his material needs, but if he hasn't the power or the means of playing his part as a citizen and contributing to the life of that community he is still outside the pale. We are not differing with you on that.

Mr. Boudreau: I should like to mention that I have tried to bring out the point in my presentation that we in the Saint Vincent de Paul Society feel that our real work only starts once we have satisfied those basic needs which you are talking about. That is when the work of social rehabilitation starts. That work of social rehabilitation is not limited to enabling somebody to earn \$3,600 a year, but goes further than that by enabling the poor to participate in the life of his community and of our country.

Senator Carter: I do want to get your opinion and that of your group with regard to the present welfare assistance which is now administered in many cases on a regional basis. Do you think that is right or do you feel a person should get a standard amount regardless of where he lives? I think we should have a clear-cut decision on that.

Mr. Boudreau: I personally think that some of the others should participate in this discussion. If you would allow me, I would like to give you my personal opinion on this.

If you read our brief closely, I believe you will note that when we envisage the problem of poverty in Canada as a whole as something that has to be solved, the first thing we must do is to establish in practice the fact that in Canada nobody lacks the vital basic necessities of life. That is our basic starting point. As far as that is concerned, and that again comes out of our brief, we feel that the only organism able to do that work is the federal

Government. This should be done on a standard basis from one end of Canada to the other. That is only the beginning of our work. Once that is accomplished then the work of social rehabilitation of the poor and underprivileged really starts. That segment of rehabilitation should be established possibly on a regional basis.

The Chairman: I think you have answered Senator Carter's question. As a matter of fact, you have answered the question from the committee, and it rather likes your answer. If you hadn't answered it, I would have had a few questions ready for some people who would have been very embarrassed by the question, so I will leave them alone.

Mr. Claude Leduc, member of The National Executive of the St. Vincent de Paul Society of Canada: We would not be embarrassed by any question.

The Chairman: Where are you from?

Mr. Leduc: Ottawa, sir.

The Chairman: I have a good question for you. Can you tell me by what rhyme or reason a man with two children living in Hull receives \$100 a month less by way of social welfare than a man with two children living in Ottawa?

[Translation]

Mr. Lauzon: Would you summarize the question in French, please?

Senator Fournier: The chairman asked you a question which can be summarized as follows: why does a family of two, three or four in Hull receive \$100 less assistance than someone in Ottawa?

Mr. Lauzon: I do not see the difference between Hull and Ottawa. The cost of living in Hull is appreciably the same as in Ottawa. I do not see how it happens that Ottawa receives much more.

Senator Fournier: In your opinion ...?

Mr. Lauzon: The cost of living is exactly the same.

[Text]

The Chairman: That is what we are up against. I can take you to provinces where they say so much and no more, whether you have 10 or 12 children. It does not make any difference. That is not the way a country should be run.

[Translation]

Mr. Justice Lemay: Senator Fournier, I can tell you that it is the same thing, elsewhere in Quebec, just as in the case of Hull, from one shore to the other, there is a \$30, \$35 difference per week; this causes prejudice. This happens from one shore to the other.

[Text]

Senator Hastings: Under the same jurisdiction?

Judge Lemay: Under the same jurisdiction.

Senator McGrand: M. Boudreau, your brief deals largely with conditions of urban poverty. I presume you are thinking mostly of Montreal and some of the larger areas. Would you

give us some idea of the extent of poverty in the lower St. Lawrence? You must be familiar with it. I mean the counties of Gaspé, Bonaventure, Rimouski, Matane, Temiscouata, Kamouraska and so on?

What is the cause of the poverty there? Unemployment and poverty is higher in that area than the average of Quebec or the average of Canada. To overcome the poverty of that lower St. Lawrence or Gaspé area, or whatever name you used to call it, how would you start, and where would you start?

Mr. Boudreau: If I knew the answer to your question, Mr. Senator, I would ask to replace Jean Marchand.

Senator McGrand: You are here, you have offered to come, so I want your answer, or at least your opinion?

Mr. Boudreau: First, I would like to know if there is a reason why you specify that particular region? Personally, I would include, with the regions you have mentioned, certain sections, for instance, of New Brunswick and of Nova Scotia, where the situations are practically the same. I have lived in both places, I have lived in all three places.

Senator McGrand: Sure they are identical. I suppose you are familiar, or have read something about, a place on the Lower St. Lawrence, a community named St. Paula, on the border of Matane and Rimouski? There is an effort on the part of the residents there to overcome their poverty by developing a certain program. Perhaps that will give you a starting point.

Mr. Boudreau: The attempts at solving their own problems, on the part of the citizens of that particular community, are commendable, thre is no question about that. But what has been found is this. Although I do not agree 100 per cent, I can understand the hesitation of the public authorities in endorsing fully such an undertaking. The difficulty is—and it has happened hundreds of times in our Canadian economy-that if one endorses publicly an undertaking of that type in a given community, there is no way one can limit the endorsement to that particular community. On the strength of that public endorsement, hundreds of other communities, in the Province of Quebec and other places in Canada, will want to do exactly the same thing, with the result that, a year from now or two years from now, the same economic condition will exist in that particular economic activity as exists in others. That has happened in a lot of public sectors of activity.

Senator McGrand: I mentioned St. Paula because you wanted to know where I wanted to start and I said I start at St. Paula. I am afraid that if you give the guaranteed annual income to the unemployed poor and the working poor of the Lower St. Lawrence and the Maritimes—they are identical—and do not develop the natural resources of those areas—and you know as well as I do what those resources are—and not develop them,—not for the benefit of a few people but in the interests of all the people of that area—then that guaranteed annual income will only be another massive band-aid and the problems of undeveloped resources will remain as they are. Do you agree with me?

Mr. Boudreau: Very definitely I agree with you—except for this. Are you forgetting that to a great extent we are already giving these sections of our country a guaranteed income?

Senator McGrand: In what way?

Mr. Boudreau: Figure out the amount of money that is going to the Gaspé Peninsula in terms of social assistance and the amount of social assistance being paid out to the Gaspé Peninsula and not exclusively the Gaspé Peninsula. I am only mentioning that as an example. It exceeds the gross national product. I could not agree with you any more. The point we have been trying to make here is that of course we have to develop our resources, as you are mentioning. The point I am trying to make is that, before we start to develop our natural resources and rebuilding our Canadian society, we have first to satisfy the basic needs, because our society is developing too fast.

Senator McGrand: I know, but do you not think that if you go to those people and say: "Here is a guaranteed annual income, we will stop this social assistance that you have been getting"—and that you say is beyond the gross national product—"here is the money, you will not starve and you do not have to work"—the resources can stand as they are? That is what I am afraid of.

Mr. Boudreau: That is what I am afraid of, too, and there will be a lot of it, you can be sure, as there is a lot of it now—as we are trying to point out in this brief here. The reason why we have that is, as I said a while ago, that there is a tradition in some of those places and it has become a social sickness. It will take a generation or two before we can cure this sickness. Of course there will be hundreds of thousands, as there are now, who will be satisfied to sit down and wait for the cheque to come in. That is what they are doing now.

Senator Hastings: Vôtre Honneur, M. Boudreau, excusezmoi, je ne peux pas m'exprimer en français.

I would like to join with other members of the committee in commending you for your presentation this morning. What you have done, as has been said, is that you have confirmed everything we have found as we have travelled throughout the country. There is one particular point I would like to make and it is just an observation. You say your society has long established a traditional silence and discretion. I think the time has passed for silence and I commend you for breaking that silence here. What is needed is for you and I to continue to break this silence, to try to change these ingrained attitudes that exist throughout Canada with respect to the poor and their needs.

We have tried to find ways and means of changing these attitudes, and, for men who say they are not experts, you have brought expertise to this committee that it has not had before, an expertise that is needed to carry on the education and changing of the attitudes of the Canadian haves to the condition of the Canadian have-nots, particularly in respect of the circumstances you have alluded to in Canada at the present time.

I join everyone in commending you for your unreserved endorsation of the guaranteed annual income, even if it is going to cause problems.

My question is directed to you in the light of your experience from working with the poor. There are four categories of poor: the aged, the handicapped, the female head of household, and the unemployed employables. If you had it in your power to institute help as quickly as possible for only one of these categories, where would you start? That is, if you did not have the ability to take all of the poor, which of those four categories do you think would have the greatest need?

Mr Boudreau: From the results of our survey, and based on the results of our work, I believe we would be able to say that you should start with the unemployed poor; the working poor and the unemployed poor. I say that because we have found that poverty as it exists in Canada is to a large extent covered by that category. I might point out to Senator McGrand that our survey covered the entire Canadian nation from Vancouver to Halifax. We had answers to our questionnaire from Vancouver, Victoria, Toronto, Halifax and so on.

Senator McGrand: But do you get any answers to your questionnaire from the rather remote rural areas? I presume that is your problem.

Mr. Boudreau: Yes, that is our problem. Our main action is centered in the major urban communities. Probably one of the weaknesses of our stand on this question is that our knowledge of the situation in the rural districts of Canada stems more from our own personal experience than from our official experience as a society.

Senator McGrand: I was in municipal government in a rural community, in a county, from 1927 to 1937. I happened to be one of the municipal councillors. I have lived there all my life and I am familiar with the situation.

The Chairman: Mr. Boudreau, you owe Senator Hastings an

Mr. Boudreau: Would you repeat those four categories, please, Senator?

The Chairman: The four categories are the aged, the handicapped, the female head of family and the unemployed employables or welfare-ites.

Mr. Boudreau: You are asking us to make a decision of Solomon. How do you establish the relative needs? They all need. But so far as numbers are concerned, the fourth category would be the most important in our opinion.

Incidentally, I do not go along with the proposition that we cannot afford a guaranteed minimum annual income. I am not yet 60 years of age and I can well remember that every time official mention was made of a major social measure, starting with the old age pension, going to family allowances, unemployment insurance and so on, politicians would go from one end of the country to the other crying to heaven that such a measure would be absolutely financially impossible and that Canada would be on the way to ruination if it were brought about.

Senator Hastings: Socialism.

Mr. Boudreau: It happened every time—old age pension, family allowances, unemployment insurance. Every time. But we have enacted all these pieces of legislation and they have not proved ruinous.

Senator McGrand I am sure can confirm my experience in what I am about to say, but, personally, I lived in a particular rural community in Nova Scotia during the depression years and I remember, although I was not very old at the time, that one man with a family of six worked for my father chopping wood from 7.30 in the morning on Monday to six o'clock on Saturday evening; he worked for one bag of flour. At that time one bag of flour sold for \$1.98. I went back to that social community just this past summer. I know what the old age pension, unemployment insurance and family allowances have done there. I am not

saying that a certain number of people are not doing what has been suggested, namely, that they are just sitting down on their fannies waiting for their cheques to come in. But are we going to condemn 90 per cent of our Canadian population because of an abuse by 10 per cent of the population? I should not think so.

Senator Hastings: I agree with what you have said whole-heartedly, Mr. Boudreau, but my point is that politics is the art of the possible, and that is the reason for my question. Naturally I should like to sell the whole thing carte blanche, but it is a question of money, perhaps.

Mr. Boudreau: Personally, I think, Senator, that the problem of the committee and the problem of the Canadian Government, even if the recommendation is made and is accepted, will not be a financial problem. The problem will be to convince the provinces and the municipalities to get out of the fields which they have been occupying for generations. I think that will be the big problem.

The Chairman: Basically it is more than that, Mr. Boudreau. But I think we had better look at it squarely; our problem is to bring forward a blueprint and a plan. It is for the Government to say what to do with that plan at the appropriate time. They may or may not be able to afford every aspect of our plan, but that is for them to decide.

Senator Fergusson: Mr. Chairman, when I read this brief I was certainly impressed by it and by the work done in Canada by the St. Vincent de Paul Society since 1846. I have known about the St. Vincent de Paul Society, but, like many other people, I did not realize the tremendous amount of work it has been doing. It is too bad the Society has kept its light under a bushel for so long. The members of this committee are very glad to have the information you have given us.

I have already said that I was impressed by the brief, Mr. Chairman, but I have been still more impressed by Mr. Boudreau's presentation and summary of the brief and his presentation of the various recommendations.

Other senators have told you of the study that we have done over the past several months, Mr. Boudreau. Your recommendations express many of the beliefs that most of us in this committee hold, and we are very glad to have somebody come out and say them. I think the thing that worries us more than anything else is that we know that these changes in attitudes must come about but at the same time we are aware that they never will take place until the majority of the people of Canada share this view. We have to tell people about this. I am sure that if Mr. Boudreau were to travel from coast to coast talking to people as he is talking to us now there would be a tremendous change in attitude towards poor people in Canada.

Mr. Boudreau: I am available, madam.

Senator Fergusson: It was not my intention to make a speech at this time, but there are several things in the brief which struck me rather forcibly. Let me first of all refer to recommendation number 11 regarding the taking of strike votes. It is also mentioned on page 34. I think the suggestion put forward here is a novel one, that is that strike votes should be taken in the home where the persons voting cannot be influenced by the people around them in such a way as to forget their responsibilities. But do you think this is a practical suggestion? Would the unions ever agree to this?

Mr. Boudreau: Do the unions ever agree to anything? I think it might not be as difficult as some people think. Naturally the union leaders would not accept it, but you would be surprised at how many of the union members think along these lines. In this brief, as you can see, we have expressed our disapproval of the so-called open-line programs, but let me say here that at times they have their uses. During the construction strike in the City of Quebec it was surprising the number of members of the particular union involved who called the radio stations to say that they had never been in favour of the strike but had never been given an opportunity to express their views.

Senator Carter: But was not that because they did not bother to attend the meeting when the strike vote was taken?

Mr. Boudreau: In some cases that is so, senator, but in other cases even though they were present, they still were unable to carry any weight. I do not have to tell you how union meetings are organized. I have even organized some myself. If you arrange to have people strategically placed in various parts of the hall you can arrange for the vote to turn out almost exactly as you wish.

Senator Fergusson: As you say in your recommendations, they do not even have to attend as long as they are members.

Mr. Boudreau: We think they can be briefed at meetings, but then they should vote in secret ballot and in their own homes and return their votes by mail. Let me point out that this is not an innovation; it is already done in certain cases.

The Chairman: It is an innovation to have the voting done in the home but the secret ballot is not an innovation.

Mr. Boudreau: Even the postal employees voted by mail.

The Chairman: But not on the strike vote itself. After they had had the opportunity of being briefed at a meeting, then they returned their votes by mail when they were not able to do otherwise.

Senator Fergusson: I have several questions to ask but I shall endeavour to be brief. Referring to page 49 of the brief, I see that the Women's Superior Council of Canada is completely autonomous, but women are restricted in their field of action to the distribution of shoes, clothes and medicine. How do they go about that? How do they know where to distribute these things unless they are also working in the field?

#### [Translation]

Mr. Justice Lemay: The range of services rendered by the women's conferences varies ad infinitum, it is very broad. For example, a mother will receive assistance in her most important needs. The children will be helped; they will get together to clothe them in special cases and, outside, they also participate in many other organizations; the range is fairly wide. The women really know how to find out the needs of wives, of the families they visit, and they render very varied services. I do not dare list them, once again, such services may vary from one case to another.

To illustrate to you that the services of the women's conferences vary, I know that they sometimes organize regular card parties in certain homes where there are elderly people; they visit hospitals, they look after transportation, or arrange transportation, for sick people to the hospital, or they pick them up.

They have a clothing supply which is used, evidently, to meet the most basic needs of children of all ages; they go where no one else goes, as long as they are aware of the needs.

The women's section, as is stated in the brief, is made up of 950 active members and, at this moment, there must be from 450 to 500 persons who take care of sewing services—mending clothing—remaking old clothing, knitted wear, and other things of that nature.

Senator Fergusson: Do the women of the conference also give assistance to women prisoners and people who have just been released from prison as the men apparently do?

## [Translation]

Mr. Justice Lemay: Until now, no; in individual cases, yes; only they have not yet been realized—they do not have sufficient means to set up mid-way houses, as is the case, for example, for the men's conferences, as is the case for Painchaud house, as will soon be the case for Saint-Leonard-Peel house.

Senator Fergusson: I take it then that while there are restrictions as set out on page 49 as to the fields to which women are limited you do not stick to that.

Judge Lemay: No, definitely not. This was only a working agreement at the beginning, but now I can assure you that we are working hand in hand and in close collaboration and that in time there will be a perfect marriage between the men's and women's conferences. For the time being we are in the process of collaborating and each day we take a further step.

Senator Fergusson: You also refer to alcoholism as one of the causes of poverty but you make no reference to drugs. At the present time does not the taking of drugs also cause poverty?

Mr. Boudreau: It very definitely does, in certain sections of Canada particularly. At this moment we can say that it is general from one end of Canada to the other, but until relatively recently the problem of drugs was centered to some extent, as we all know, for instance, along the waterfront in Montreal, Vancouver, Halifax and other such places. To that extent we do not have the same amount of documentation and information on peogle involved with the drug problem as we do in the case of alcoholics. That is one of the reasons we have not insisted, although we have mentioned at certain spots in our brief the problem of drugs and permissiveness which are becoming modern problems.

Senator Inman: Mr. Chairman, I would like to endorse what the other senators have said with regard to the work of this Society. I just came in this morning so I have not had the time to read your brief, but I will do so. A question arose when Mr. Boudreau mentioned these people who for three or four generations have lived in poverty and apparently have no ambition to fight it. I came from Prince Edward Island and I know quite a number of families like that. I wonder if you have any suggestions as to how one would go about it, to give these people ambition to remove themselves from these conditions.

Mr. Boudreau: I would have to start from our experience, and our experience has been that there is nothing much that you can do directly, on a person-to-person basis, for the time being; but there is a tremendous amount you can do in changing their social environment. The social environment can have a tremendous amount of influence on these people. That is practically

the only way you can influence them, because, as I said, it has become in these cases an established tradition and you cannot cure it in a direct way. You cannot reach these people directly; you can only reach them through the efforts you make towards change. I say this because in many cases—and I think, Madam Senator, you would recognize that in certain portions of Prince Edward Island, and they also exist in Nova Scotia and Quebec—these people exist in groups. They are the victims, if you want, of their immediate environment, and you have to work on the environment; you cannot work directly on these people.

Senator Inman: I am thinking of one little town, for instance, where the environment is just the same for everybody. They are not ostracized by the people because they are all living in this way. I know a good many of these families. They are not starving, by any manner of means, and they are quite happy. This is the point I am getting at, that perhaps it is a poverty of mind. They do not think about the way they are living.

Mr. Boudreau: Have you not found, Madam Senator, that in a lot of these small villages—and I know whereof I am speaking because I am from one—the attitude of the general public towards this group of underprivileged people has a lot to do with keeping them there?

I have found in certain sections of Nova Scotia—and I find it again in our work in Quebec—that there are certain groups of underprivileged people, and it is among these that we find our fourth and fifth generation poor. The general opinion of their environment almost forces them to remain the way they are. People accept the fact that such-and-such a family has been poor for generations and will always be poor.

Senator Inman: That is right.

Mr. Boudreau: The fact that their environment thinks along these lines makes them believe that is what it is, that there is nothing they can do, that they were meant to be poor all their lives, that their fathers, their grandfathers and great-grandfathers before them lived that way and that is how it is going to be. So that is why we have to work at it. It meets up with what many of you have said, that maybe we have been wrong in keeping our light under a bushel, and that is maybe one of the aspects of the work which we will have to follow in the future.

The Chairman: I want to know why you came here today.

Judge Lemay: Why?

Mr. Leduc: Why?

The Chairman: Yes, why did you cone to us? You have never before made a presentation to any organization. You have been nationally renowned for years and years; you do not have to advertise yourselves. Why did you decide to come to this Senate Committee on Poverty.

Mr. Boudreau: It is funny, Mr. Chairman, that you should ask that question, because exactly that question was debated at a meeting of the Executive National Council of the Society when we were discussing whether or not we would present a brief to this Senate committee. Judge Lemay will confirm what I have to say, that our decision was that we could not remain silent. Our main concern is the poor, and it has been for centuries. How do you think our own members—and for the moment I am only concerned with our own members—from one end of Canada to

the other, would have reacted to the fact that the Society of St. Vincent de Paul—which, as we have stated, has been closely associated and identified with service to the poor—kept silent, in view of the work being carried on by this committee? That is why we are here.

The Chairman: You almost make our task easier and more worth while, in hearing you say what you have. I think the committee likes to feel that they are doing something that is impressing itself upon the Canadian public.

Mr. Leduc: Mr. Chairman, as you remember, when it is said that the St. Vincent de Paul Society has been silent, it has not been. It has been to government bodies, but municipal governments know us and we fight them every day. Every government knows us; we fight them for justice every day. I represent Ottawa and I am in the battle of defending those people every day for their common good.

I can say that I am ashamed, right today, to sit here and say that we have about four blocks from the Parliament Buildings a family living in a home in which there is no water and no batheroom, and they are paying \$140 a month. They have \$301 a month to survive. I am their trustee. I am ashamed that I cannot find a house for them. I am ashamed to be a Canadian because of that, living in the capital city, having a family living under these conditions. The father has been condemned and is unable to work. They give him \$301 and they say, "Try to find yourself a home" and nobody wants them.

The Chairman: Is there any family?

Mr. Leduc: A family of two, and this is about five blocks from the Parliament Buildings. This is what I am ashamed of. We have not kept silent. We have been fighting for them.

The Chairman: I do not mind saying that I knew of their work since the time I lived in Windsor, and that was many, many years ago.

Senator Fournier: Mr. Chairman, members of the Committee, one of the duties of the committee was to inquire into the facts and situation of poverty in Canada in order to find the reasons for it; this is why I am convinced that we have found the reasons and we have found the why. My question is: Where do we go from here? What do we do next?

Mr. Boudreau: Are you speaking in terms of your committee, or of Canada?

Senator Fournier: This committee needs advice. This is one of the reasons why we called you in. I know that I need advice. How are we going to change the whole of society, which has been living under laws which we now discover should never have been passed? How are we going to change those laws all of a sudden when, as we have seen during the past few days, people react to changes. How are we going to change all this?

I ask this question, because a major change is needed. The magnitude of the problem of poverty is tremendous. The more we look at poverty then the more problems we discover. You have experience in these matters, but we are still discovering things we did not know existed. Where do we go from here? Have you any solutions to offer?

The Chairman: I do not know what the answer is going to be, but I would suggest that we have to make a start at some place, and we might as well make it now.

Mr. Boudreau: We could just as well admit at the very outset that we are not going to solve all the problems. In fact, the very solutions we bring to bear on one problem will automatically create other problems. There is no getting out of it. We will not solve all the problems, but, as the chairman has said, we have to start somewhere. As far as the answer to the question of where to start is concerned—

Senator Fournier: That is my question. Where do we start?

Mr. Boudreau:—we have it right here in this brief.

The Chairman: What Mr. Boudreau is saying, in effect, as I understand it, is that we should start by providing for the basic needs of the people. That is what the Society is saying as loudly and as forcefully as it can, and Mr. Boudreau has not been hiding his light under a bushel this morning.

Mr. Boudreau: We must start by making it possible to start the real work of social rehabilitation.

Judge Lamay: Mr. Chairman, may I say a few words?

The Chairman: Certainly, Judge Lemay.

Mr. Justice Lemay: May I just say a few words?

There is perhaps also another case which would be the following. I think that the emphasis was entirely indicated in Quebec by the presentation of the Quebec brief which speaks about making people aware. I think that each and every one of us is duty bound not only to open our eyes but to make the fruits of our observations the fruits of our comments, known to our family environment, or work environment, to the community environment. I think that if each of us examines our conscience a little bit, we have a great deal of catching up to do.

I thank the members, the chairman, very much for having given us so much time and for having paid so much attention to us. You may rest assured that it is very encouraging for us in the continuation of our work.

Thank you very much for giving us so much time and attention. You can be sure that for us it is a great encouragement to go on.

The Chairman: Let me say, Judge Lemay, that the committee thanks you and the estimable group you have brought with you. I cannot overpraise Mr. Boudreau's presentation this morning. It was excellent, and most representative. It is a beacon in the darkness.

This has been a memorable morning for us. Senator Fergusson put the matter succinctly when she said you have emphasized the things we have been hearing from across the country for almost two years. The poor need allies like you, and they will need them for a long time to come.

You came here today in the best traditions of humanitarians. This committee thanks you, and hopes that benefits will flow from your presentation and your attendance.

The Chairman: Ladies and gentlemen, we now have the presentation of the Town Planning Institute of Canada. On my right is Mr. George Atamanenko, the co-ordinator. Next to him is Mr. Lehrman, the secretary-treasurer. Mr. Atamanenko will speak first to the brief.

Mr. George Atamanenko, brief co-ordinator, Town Planning Institute of Canada: May I ask our executive director to express a few words on behalf of the Institute at this time.

The Chairman: Yes; Mr. Prévost, the executive director.

Mr. Antoine Prévost, executive director, Town Planning Institute of Canada: Mr. Chairman, it is as executive director of the Institute that I appear before the committee. It is not my responsibility to comment upon the Institute's brief. I would simply like to remind the committee that these briefs were prepared by the Town Planning Institute of Canada which has about 900 members who are professional town planners and who, since the founding of the Institute in 1923, have had the professional responsibility of advising various authorities on the problems, among others, which you are tackling today; it is on the basis of this experience that they have prepared the briefs that they submitted to you and which Mr. Atamanenko and Mr. Lehrman presented to you. Thank you.

Mr. Atamanenko: Mr. Chairman, honourable senators: it is a pleasure that we, the Town Planning Institute of Canada, have been given the opportunity to present our submission to you today. I believe our brief has been distributed to you and you have had an opportunity to read it. It may be helpful, however if I may review with you some of its salient features.

The two-fold objective of this presentation is to affirm the concern of the Town Planning Institute of Canada with the issue of of poverty as a major problem facing our society: and to stress the importance of co-ordinated approaches to alleviating and eventually eradicating poverty. Such co-ordinated efforts should be made by representatives of government at all levels; and by economists, social and physical planners, and volunteer groups at all levels. Poverty is painful to endure. It is wasteful of the human potential of adults. It is destructive to the development of the potential of children, and of youth. The social and economic consequences of poverty are also very expensive to the taxpayer.

The rapid urbanization trends in Canada make urban poverty of central concern to planners. Needless to say, however, poverty exists, and is just as problematic, in rural areas.

In defining poverty it appears to be commonly accepted that it is a condition of relative deprivation. In economic terms, poverty means an income which is inadequate to provide the minimum standards of living enjoyed in the community as a whole. In physical terms poverty means substandard housing, It may also mean a deteriorating residential area with a poorer quality of public services and facilities than those which are available in more advantaged sectors of a community. In social terms, poverty means very limited, or totally non-existent, participation in the mainstream of our society. It may mean little or no political influence. It may mean very limited access to the educational, cultural and recreational activities available to more advantaged citizens. It may mean inadequate access to medical, legal and psychiatric services.

In considering who are among the poor in our society, we find representatives of various ethnic, racial and religious groups; various age groups; even various occupational groups. Public assistance records show evidence of this variety. From a planning standpoint it is useful to differentiate two major categories of the poor—those who are near-poor; and those who are chronically poor.

The first category includes people who are financially independent of public assistance, but whose earnings, standard of living, and prospects for improvement, are much lower than that of the community as a whole. These include people who work at very low-paying jobs and who have little prospect of moving into

better paying ones. They are highly vulnerable to unemployment and to crises in their personal lives. At such times they easily lose their financial independence, as it is difficult for them to accumulate savings or other resources which could tide them over a financial crisis.

The second category may be called the chronically poor. They constitute the hard core of poverty. They tend to have the lowest standard of living, and to be dependent on public assistance for prolonged periods of time.

The near-poor occupy a marginal position on the labour market. They hold low-paying, low-status jobs. In periods of high unemployment they are more likely to lose jobs, and less likely to obtain new ones. Often, they lack the educational skills to be easily adaptable to new labour market requirements.

In planning for this group both preventive and remedial measures seem necessary. On one hand they may need increased employment opportunities. On the other hand they may need educational programs which will prepare them, or at least their children, for a wider range of employment possibilities.

From a physical planning standpoint, several specific approaches seem indicated.

Efforts could be made to attract labour-intensive industry into, or near, low-income areas. Also, it may be feasible to plan low-rental housing developments near established industrial areas. Special incentives could be provided to industry to help maintain a wholesome living environment.

Another means of promoting employment opportunities is to maintain, and where possible to encourage the growth of already existing industries or services. This may involve compromising certain standards such as regulations governing land use. The improvement of the physical appearance of a residential area should not take precedence over the need for services and jobs. It certainly depends on time and priority.

Another way in which physical planning can increase employment opportunities is through the development of existing natural resources. This may be especially relevant in the rural and semi-rural areas and Indian Reserve communities.

Programs of upgrading or increasing skills are, or course, outside the realm of land-use planning. However, it does seem most important to provide such programs. Land-use planning may be involved in providing the location for facilities where appropriate training may take place. Besides training for specific job skills, broader educational opportunities seem desirable. In a highly complex, rapidly changing industrial society, we cannot foresee the demands that will be made on the younger generation.

The Headstart or Betterstart type of pre-school education programs appear to be of great value to children of disadvantaged families. They may also provide some job opportunities and learning opportunities for the mothers and adolescent girls. For example, in a Bettlerstart program at Tsarlip Indian Community near Victoria, British Columbia, teenaged Indian girls were hired as teachers' aides. Directors of the program observed that these girls seemed to benefit from the program just as much as the children.

In planning for the hard-core poverty, at least four approaches seem necessary. First, adjustment of fixed incomes to meet more adequately the rising costs of living, and to provide a more humane standard of living. Perhaps before the necessary economic

measures can successfully be put into operation, some re-education of public attitudes may have to be attempted. There appears to be a widely prevailing prejudice against public assistance, and an ignorance of the types of circumstances that bring people to apply for it. Public prejudice is reflected in social welfare policies and legislation. Perhaps people cannot be expected to support expensive public assistance and anti-poverty programs when they do not clearly understand the need for them and the consequences of not providing them. One wonders whether a public information program concerning poverty would be useful. Also, would it be feasible and helpful to involve various groups such as businessmen, professional groups and students in certain aspects of anti-poverty programs?

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A second approach to alleviating hard-core poverty is to provide adequate low-cost housing, both through the provision of new housing and through the rehabilitation of existing low cost housing. Self-help could and should be encouraged where possible. Perhaps one way of doing this would be to provide grants-in-aid to the poor for housing improvements. The psychological as well as the physical importance of adequate housing should be recognized.

Where urban renewal is involved, it would seem of utmost importance to consider the needs of local residents for jobs, housing and public facilities. Improvements in the physical appearance of a blighted area should not be made at the expense of the needs of its residents. Co-ordinated objectives and efforts should be strived for by physical and social planners. As much as possible, people should be involved in planning for their own area. Although this approach presents many difficulties, it may also yield much helpful information to planners, and may be the most effective way to meet the needs of the sector of the community under consideration.

An important aspect of helping the chronically poor to help themselves is the provision of sheltered workshops for the physically, intellectually or emotionally handicapped. Besides the economic value of such employment possibilities there is the psychological value to the handicapped of increased independence, usefulness and concomitant self-confidence.

The provision of adequate public services and facilities is a fourth major aspect of planning for poverty areas. These areas most commonly have not only inadequate and substandard housing, but also a poorer quality and lesser quantity of public services and facilities in comparison with more privileged areas of the community. It is suggested that superior public services and physical facilities should be planned for poverty areas. These, in combination with special educational and recreational programs, could expedite the breaking of the vicious cycle of poverty for children and young people of these areas.

Assessment and co-ordination of existing anti-poverty and other federal-provincial assistance programs is recommended in order to avoid duplication of effort, and to increase their effectiveness. Before further programs are developed it would seem desirable to analyze the objectives of each program and the means of fulfilling these objectives. Possible relationships between the various programs should also be studied in order to gain better co-ordination among them. In co-ordinating services, co-ordination of financial support for the programs must be airanged.

Thank you, Mr. Chairman. That is the summary of our submission.

Senator Hastings: My question deals with your observations on page 7 with respect to:

...the prevalence of negative attitudes towards the poor,

is the fact that some people—
you use the word "some"; I think it was correct the first time,
before you added "some"—

people simply do not understand the nature and magnitude of poverty and the socio-economic conditions associated with it.

Then you recommend:

A vital public information program concerning poverty would be helpful.

My first question is: what do you envisage with respect to a vital public information program? Secondly, what program has your association instituted for educating your members on the problem of poverty? First, what could we do that we have not done, or should be doing?

Mr. Atamanenko: I mentioned public information, and what I mean is the involvement of as many people in any community as possible, for example involving the students in a voluntary process, involving the business people in a housing register and housing bureau, and also the loaning of perhaps business people by various corporations to voluntary organizations, not perhaps on a Community Chest basis, which is once a year, but perhaps on a long over-the-year period. This certainly means co-ordination in any locality through a social planning long term agency, to have public information services available to people to come and take part in. It is not an easy question to answer in its entirety.

Senator Hastings: Going on to the second question, what have you done?

Mr. Atamanenko: What have we done as the Town Planning Institute of Canada? I would say we have done very little, as a personal observation, to inform each member, but most of our members are involved in either urban fenewal programs or rehabilitation of some of our city centres, and they then do become knowledgeable about persons in need in these various areas. We are in the forefront, but we have not actually had an educational program directed to the need of our membership for a little more educational background, but we are definitely involved.

Senator Hastings: That, of course, is your occupation. I was wondering whether you were doing anything over and above that on a volunteer basis. Are the businessmen?

Mr. Atamanenko: You ask whether the businessmen are doing anything on a volunteer basis. May I just cite an example. Again I would like to refer to the Victoria, British Columbia, community, where one businessman from a very reputable real estate firm was encouraged to do so. He had reservations about setting up a housing bureau. The bureau was set up on a volunteer basis; he went to work, set it up and developed a budget for it. At first he had reservations about going into it, but now he is committed. That is but one example.

Senator Hastings: I think our chairman might make an observation about the students. In our experience we have met with little success. Why? Would you have any observations on why we have failed? We tried to involve them in the work of this committee.

Mr. Atamanenko: Perhaps it is the times we are in, that the students are perhaps not too receptive to outsiders, it must come from within, although I have found, at least in our region, some students are extremely interested and socially committed to doing some benefit to the community. Another example, if I might add, happens to be from the St. Ann's Academy, a Catholic resident school in Victoria, British Columbia, where about 50 students in their Grades 11 and 12 do work for the volunteer bureau.

The Chairman: In high school?

Mr. Atamanenko: They are high school students.

The Chairman: They are talking about university students. We tried to involve the students when we first started on our odyssey. We sent out people, activists, to try and get them involved. They were from Fraser University and other places in the west, and some were from Toronto. They were quite vocal about many things, and we thought we could get them vocal on poverty but we struck out because they were not interested in taking any part in it. We did not ask what their views were. They could have taken pro or anti, but they were just not interested. How do you explain that?

Mr. J. Lehrman, Manitoba Association of the Town Planning Institute of Canada: I would like to add this point. One of my roles is teaching at the University of Manitoba and I found the reverse situation in Winnipeg. We had a group of 15 students last year who took an active part in one of Winnipeg's urban renewal areas, investigating on a house-to-house basis, the desires of the people living there. I will not go into that in detail.

Senator Hastings: They have appeared before us.

Mr. Lehrman: My students did not appear before you. I believe that was the University of Winnipeg, and I am talking about the University of Manitoba.

The Chairman: You may be correct.

Mr. Lehrman: I am talking about the University of Manitoba students. There is another university in Winnipeg—so I am told

The Chairman: Not too loudly!

Mr. Lehrman: One of my students last year chose, for his graduate architecture, to rehabilitate several houses in an older area of Winnipeg. These are not allocated to students, but are chosen by themselves. The plan went before the city council, who were most enthusiastic. The city council went beyond just verbal support and funded it. The same is true for this year's students.

From our personal experience in the University of Manitoba, students are voluntarily taking quite an active part. Anyway, I did not come here to speak about that, Mr. Chairman. It was just that this topic arose.

The Chairman: It was very welcome.

Senator Fournier: Mr. Chairman, I would like to know a little more about this organization. In the first place, what are you doing? What is the Town Planning Institute of Canada and what type of business are you in?

Mr. Prévost: The National Professional Association of Town Planners is an institute which has existed since 1923 under a federal charter. In French it would be "Urbanistes".

Senator Fournier: What do you do?

Mr. Prévost: A town planner is a person who, I believe by vocation, is in charge of advising authorities as to how certain problems must be approached in a planned and organized way. This is similar to the way you are trying to organize the federal Government as to what should be done in regard to poverty.

Senator Fournier: You are just advisers and not doing any construction, engineering or actual street or water planning?

Mr. Prévost: A town planner will co-ordinate the work of architects, engineers, social scientists, lawyers, and so forth. He is not a businessman, but a professional man.

Senator Fournier: Do you have a branch in every province?

Mr. Prévost: We do not have a branch in every province, but there are town planners in every province of the country. The national institute has affiliated institutes in the Atlantic Provinces and British Columbia, and it has associations in Manitoba, Saskatchewan, and one in Ontario. In some of these provinces the associations also include local chapters.

Senator Fournier: Do you have a membership?

Mr. Prévost: There are 900 members.

Senator Fournier: Are they professional throughout Canada?

Mr. Prévost: Of those 900, about 150, if in the medical profession, would be residents.

Senator Fournier: Thank you.

The Chairman: Senator Carter is from Newfoundland, were they have done a lot of planning.

Senator Carter: We do too much planning. Poverty is a fact of life and every city has its pockets of poverty. You have diagrams of Winnipeg in your brief which show these pockets of poverty. You have outlined in a general way the problems of housing, services and that sort of thing, but what I am not clear on is how do you take that factor of poverty into account in your professional advice? What effect does it have on your town planning or on your advice?

Mr. Lehrman: Mr. Senator, our advice is given as planners. We are not in charge of funds. That is the political sphere and the final decision-making is taken by whatever level of governement we are advising. Our advice in this particular case, looking at the diagram you are referring to, would be, seeing as how there is this very intense body of area of poverty in the north end of the city, to bring certain of the social services such as educational institutions, hospitals and so forth, into that area. As the map shows, we would suggest spreading them out on a periphery.

I shall give you one example. The Manitoba Institute of Technology is now called the Red River Community College, which is the same thing. It is a post-secondary educational institution teaching trades—and I do not mean that disparagingly. I mean that its perhaps slightly below the university level. In a planner's opinion, this would be essential for the people who live in this poor area. It has been located on the periphery of the city near the airport, of all places. You know what type of people use airports. They are not usually people who live in the low-income part of the city.

Our advice would be to put it right in the city so that there would be a close welding of this social facility with the people likely to use it instead of students having to travel about five miles in both directions every day.

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The Chairman: Mr Lehrman, doesn't metro Winnipeg have a planning group at the top to advise them, and haven't they had one for a number of years?

Mr. Lehrman: Yes, Mr. Chairman, metro Winnipeg has a planning department. The City of Winnipeg has its housing and urban renewal department too and its planners.

The Chairman: Did I not understand you to say that you would not have planned it the same way?

Mr. Lehrman: I am saying that the planning advice is not always followed by the politician whose final desicision is to locate. There are lots of instances of that, Mr. Chairman.

Senator Carter: Looking at the diagram, I note you have three pockets here, one large one and another, No. 59, at the left centre and No. 55 in the extreme right.

Mr. Lehrman: Excuse me, are you looking at the first or the second one?

Senator Carter: Number 55 is in the extreme right on the first diagram. These are three pockets or three ghettos. Do you base your advice on the assumption that these ghettos are going to stay there, or are you going to spread them out; or do you ever envisage in your planning a progression upwards in the type of homes, the class of service, and so forth, so that these people will have a chance of moving out to a better area, something within their reach, not probably in the luxurious parts? Do you base your planning on the assumption that there are ghettos there and they are going to stay there?

Mr. Lehrman: Speaking for what degree I can from my colour panels, Mr. Senator, I would say that we would have to cater for both aspects. Undoubtedly there are a lot of poor people who, as their incomes rise and therefore as their possibilities rise, do move out. There is an enormous amount of social pressure to do that and obviously that is recognized. Many new subdivisions on the outskirts, really on the outskirts, several miles from the centre, do cater for that income level.

On the other hand, in the foreseeable future we will have these pockets, and some of them are considerably large, of low incomes.

What we would try to do there, in addition to bringing in the social services as the Manitoba brief shows, is also in terms of rehabilitation, urban renewal, not necessarily in massive doses of urban renewal with the bulldozer and but in rehabilitation sort of thing.

Senator Carter: Taking the question of urban renewal, which means bringing in the buldozer to bulldoze the slum area and rebuilding it into apartments or public housing of some sort, what do you think of the idea, instead of doing that, of taking the houses that are structurally sound and bringing them up to a minimum standard, so that they are comfortable?

We had a case this morning where a witness mentioned that right here in Ottawa, four or five blocks away, there is a house in a terrible condition. Of course, that sort of thing should not be permitted to exist. In our wandering around Ottawa we have seen people-living in an area which is fairly respectable and could be made even better, it could be made wind-tight, weather-tight and comfortable, and still available at a much lower rent than would be possible is we started from scratch, bulldozing everything out and building a new building.

Mr. Lehrman: That is undoubtedly true, Mr. Senator and I would say that generally that is the policy now with the federal Government, which has quite rightly slowed down, if not stopped, on urban renewal, because of its very apparent limitations, and the emphasis is very much on rehabilitation.

The only proviso I see in that is to beware of the swing right over in the other direction when, just because we see a very old house it has to be preserved. Sometimes it is just not economic or sensible to preserve it. In a very large majority of case, you are quite right, that for the expenditure of much fewer dollars it could be done, and of course keep the people who are living there still living there, rather than moving them out.

Senator Carter: When they are there they are near services and they are within walking distances of the welfare offices and the services that they are used to. When they are far out they have to hire taxis to get back and forth or get bus tickets, and this is all a burden on their meagre incomes. If these low income groups are close to the services that exist, is seems to me to be better policy to make it possible for them to live there in comfort, rather than moving them out to a new area further away.

Mr. Lehrman: Yes. The only point that this Manitoba brief makes in that respect is that, recognizing the fact that people are, say, in the downtown areas, therefore we should not locate a lot of our newly built institutions on the outskirts, as has been done. We should locate them downtown, too. That was the point of the brief.

Senator Carter: Taking this diagram No. 1, on the extreme right, they seem to be quite a distance out from the centre of the town. Is that a place that will be built up eventually or expected to become a ghetto or slum area?

Mr. Lehrman: That is the Trans-Canada, senator. It looks like a special case, and it is. There is a lot of railway yards there. It was originally part of the railway and there was a lot of railway employment in Winnipeg's older history, about 70 or 80 years ago. So it is really a special case. Actually, beyond the railway there is relatively little else out there. The crux of the problem lies right in the centre of the map, where you say it.

Senator: Carter: You speak in your brief, on page 6: "deep-rooted negative attitudes of the public towards social welfare are reflected in welfare policy and legislation". Could you give some exmples of that? It is paragraph 11.

Mr. Atamanenko: Yes, senator. An example, related, if I understand it, to the means test in some legislation and to the sort of policy implicit in this, is that the poor are there because of some sort or moral defect and that it is their fault that this legislation is necessary.

Senator Carter: How do you see it reflected in the welfare policy in legislation?

Mr. Atamanenko: The legislation that exists today has been built up over time and it reflects the attitude of our society at the point of time in relation to that legislation. I think that is about all I could add to that.

**Senator Carter:** Could you give us some specific examples? Could you take one piece of legislation, one item of policy, and show how that reflects the negative attitudes you mentioned?

Mr. Atamanenko: I am afraid I cannot be specific on that point.

Senator Carter: On the main needs of the poor, as far as living space is concerned, it comes back to town planning again. There are two things there—neighbourhood services and day centres; and some open place for the children to congregate and play instead of being in a backyard or on the street. What can be done? What do you see can be done to meet these two needs in cases like that which you have here in your own diagram?

Mr. Lehrman: Well, senator, it used to be done from on top, as it were, by imposing a plan on the residents of that particular area. More and more now, rightly, it is being brought up from the people themselves in terms of local participation, and that very definitely is the emphasis right now. It is a much slower process, like all democratic aspects, but that is how it is being done. In other words, by working with the communities themselves and helping them to define their needs we can then go with those needs to the particular planning authorities and present them to them.

Senator Carter: Do you people consult the persons affected? Some of them are getting organized now into little groups that coule be consulted.

Mr. Lehrman: They are very definitely. In fact, there is one group in the renewal area No. 2 in Winnipeg that has been organized by the City Planning Department deliberately to get local reaction. In other words, as you may know, very often these low-income people are not very organized or have not been very organized in the way they put their viewpoints forward. As planners we are concerned with just those aspects that you raised.

Previously we have not been getting any feedback on that score and we have now specifically organized groups. It sounds again like the groups have been organized from above, but that is just the words we use. Winnipeg has done, and is doing, all it can to encourage the formation of groups to define these needs and then feed them back to both the metro and city of Winnipeg planning departments.

I should like to think that there will be some result from that, because if there is not it will be very disappointing.

The Chairman: What kind of results are you looking for?

Mr. Lehrman: Well, to take this example, it would be neighbourhood parks, playing spaces and so on, and rehabilitated dwellings and so on. Specifically, it is what the people who are living there have desired rather than something imposed in accordance with a view from above, to the effect that "this is what we think you should have".

The Chairman: Let us assume you are at the top and the people are down below. Would you not know what they would want?

Mr. Lehrman: Yes, but it is very difficult, especially with my English accent, Mr. Chairman, which always gives the impression that I am very reserved, remote and condescending. That is not the case at all, but I have to fight against that, even though I have been a Canadian for 12 years.

The Chairman: You can use the Winnipeg accent if you prefer. That is all right.

Mr. Lehrman: It is being realized more and more, in many spheres of government, not just from the Canadian point of view, that that is not good enough, that it does not go far enough, that it is not good enough for those in a position of power to say, "This is what we feel you should have. This is for your good." even though in some respects it might very well be for the people's good. It is more and more realized that that is not good enough and is not the way it should be done.

Directly in the planning sphere, within the last two or three years, bearing in mind the tremendous example of the United States with its problems of the underprivileged in cities, we feel that one of the approaches we should be following is to have the desires and needs of these communities organized and presented by these communities to the civic officials and to the provincial and all other levels of government, and in that way, therefore, to their planners, thereby creating a feedback. I like to think of it going both ways, from the top down, as you say, although I hate to use that expression, because I don't believe there is a top, but prefer to think of it going from one end and from the other end. And what we hope for is a welding that suits every party.

One of the provisos that planners have to bear in mind when receiving input from the local communities is that it just does not get fragmented into a series of local wishes without the needs of the total city, the total region, being met at the same time, within the over-all picture. Once those local needs fit into the over-all picture, then certainly they should come from the local communities.

Senator Inman: Mr. Chairman, I wonder if Mr. Lehrman can tell us anything about the Prince Edward Island development plan. Does that plan fit in with your studies, Mr. Lehrman?

Mr. Lehrman: I am unable to speak directly to that, Senator.

Mr. Prévost: Senator, I believe I can answer your question in part, owing to the fact that I am in contact with the Atlantic planners because of the capacity I act in. I believe the development plan for Prince Edward Island was indeed conceived by planners, and in a sense I should like to answer the original question of Senator Fournier (Madawaska-Restigouche) again, because the emphasis in this conversation seems to have been on housing and engineering facilities, and it should be pointed out that the planner is involved in much more than that; he is not an architect or an engineer.

Senator Inman: What I had in mind was the moving of small families in these plans. There is the question of farms and also parks and facilities for sports and that sort of thing.

Mr. Prévost: I cannot answer in detail specifically about the Prince Edward Island plan, but I will say that the planners in charge, if they applied their profession properly, must have considered the social as well as the economic considerations in whatever recommendations they made.

Senator Inman: The brief mentions young people. There are so many young people, children and upwards, who are in poverty. Could they be rescued from poverty if educational facilities were more available to them? I mean better education facilities.

Mr. Atamanenko: Yes. As it was mentioned in an earlier submission this morning, a start has to be made somewhere. I do

feel that one of the starts is with the young people, with the children, in order to break the cycle that the family unit is in. One means of breaking the cycle, which has been discussed, is by providing community facilities; and, as you have mentioned, schools and education must be improved. I think that there should be almost a super-type of school, a super-type of educational program with the highest qualified teachers with a sensitivity towards the needs of the disadvantaged children and the family units combined.

Senator Inman: Would that come into your town planning?

Mr. Atamanenko: No, it does not come in directly. However, we are continually involved with the social administrators, the social work people, the social research scientists, and the sociologists, and we are in the co-ordinating function. As an example of that perhaps I could refer you to the Victoria region of British Columbia where we do have a very active volunteer social planning agency, now called the Community Council, which is the co-ordinating agency for social services in the area. As planners, we are in direct liaison and we try to work out common problems together. So you can see that there is a definite co-ordinating function between us.

Senator McGrand: Mr. Chairman, Senator Carter mentioned the possibility of maintaining old homes that are structurally sound. I believe he meant not just individual houses but an area in which houses are structurally sound. It seems to me that many of the urban renewal schemes that we already have are going to end up in the future as ghettos because somebody has sold the powers that be on this program and have benefitted by so doing. You have the developer, the construction contractor and the trade unions, and all these people are benefitting by these building projects and so none of them would be favourable to maintaining houses that are structurally sound but need rehabilitation or renovation. Can you speak on that for a moment?

Mr. Atamanenko: Am I correct in taking from your question the implication that there are vested interests in new development and that private enterprise is less interested in renovation? Is that what you are implying?

Senator McGrand: I have been watching this for a long time and nobody seems to be able to explain it adequately for me. When we were in Toronto last spring we met with a group of young people who were protesting against the demolition of houses in a certain Toronto area. I had an opportunity to look at these houses; they were fine looking houses that had housed people for a long time. But now they were to be destroyed to make room for high-rise building. Now it seems to me that there is a conflict of interests involved here and it is something I do not understand.

Mr. Atamanenko: There is no doubt at all that there are greater profits to be made from bulldozing an area flat and then building a new multi-million dollar development. Looking at it in purely building terms rather than in social terms, there is no doubt that it is a more economical way of building than taking each house separately and doing one type of renovation to one house and another type of renovation to another. In building terms, having a carpenter working in one house and a plasterer working in another is regarded as a form of dissipation of the building trades. If we are to look at it purely in terms of private interest and profits, then the situation looks black for rehabilitation and renovation.

Senator Fournier: You are opening the door for a number of arguments. I am not asking you to deal with them now, but as I say, you are opening the door.

Mr. Atamanenko: I am very much aware that there are many people who would instantly deny what I am saying. Nevertheless I think I should add another phrase to this. From the point of view of the big building operators, it is much more in their interest to do new building on a large scale than to do small renovation on a small scale. I think generally speaking I should stick my neck out and say that that is generally true. Obviously there would be a number of small contractors who would be interested in the renovation business, but with quite a bit of encouragement from the local levels of government. But that is something that up to now has not been done to any great extent

Senator McGrand: Then, the city is also involved, because it can get more taxation out of a half acre of land used for high-rise building than it can from buildings that are only two or three stories high. Is that right?

Mr. Atamanenko: Of course.

Senator Carter: It seems to me that what happens is this; you have a building which was built 50 or 60 years ago and which was a pretty good house at that time. It generally changes hands and is allowed to deteriorate until eventually it is completely downgraded. Then in comes a "shark" who buys up all these houses and then rents them out to people on welfare. The problem as I see it is to prevent that type of operator from getting control of these houses. These "sharks", as I say, pick up these houses, do very little if any repairs to them and do not abide by the standards set out by the authorities or by the building code. In many cases they do not even paint the properties or put in panes of glass when they need replacing. Sometimes they make deald with the tenants. We have seen this situation right here in Ottawa. Now, how can that be solved? How can we prevent that type of operator getting hold of these houses and exploiting the poor?

Senator Fournier: That is the argument I was referring to when I said that you were leaving the door open.

Mr. Lehrman: I can give one example of how it can be done. One municipality to the limit of its budget has bought up about 15 of these houses throughout the municipality. They are not all located in the one area but are scattered at ramdom. As I say, they have bought up these houses and have rented them back to persons on public assistance. I mention this to show that if there is a willingness on the part of the municipality, it is possible to do this.

Senator Carter: Should not then the federal Government come in there somewhere together with the provincial government and encourage this sort of thing? Would this not be a good policy?

Mr. Lehrman: Yes.

Senator Fergusson: Where the municipality has done this, do they keep the building in good repair?

Mr. Lehrman: Yes. In fact the municipality had done some repairs to the buildings prior to renting them out to the tenants.

The Chairman: This is not uncommon in the larger municipalities where they have that problem. But they never can catch up to it. The Department of Urban Affairs that they contemplate establishing will, of course, do the very thing that you are suggesting should be done.

Senator Carter: I should think so. So many of these things have to be done by expropriation. They cannot be done by a private transaction. You can only do it if you come in and expropriate and I should think you would need very detailed regulations as to the conditions under which you could do that.

Mr. Lehrman: If I might add another word, Mr. Chairman. This municipality to which I referred purchased 15, but they just could not go any further because of their finances, and this was the problem. This seems to me to be the area where the federal government and the provincial government could play a very significant role.

Senator Hastings: Mr. Atamanenko, this may be outside your area of interest or jurisdiction, but in answer to Senator Fergusson you mentioned that it was important to attack the problem with the children and you mentioned the creation of schools and playgrounds. I maintain that the most important part of the environment is an adequate home where the children will receive the incentive and the care they need so that in turn the school can do its job.

I wish you would try to help me to understand something with respect to housing. After the war we faced an acute housing shortage in this country and we had people living in shacks and hangars and anything else that was available. But we built houses at four, five or six thousand dollars, and they were adequate homes with 2 or 3 bedrooms.

People said we were creating ghettoes again, and there were the usual criticisms of these wartime houses built in our cities. We did not create ghettoes. Those houses, through changes of ownership, have changed, being added to, having basements put under them, and so forth. Such changes in architecture have improved them. We sold them for up to \$6,500, if I am not mistaken. I realize we cannot do it for \$6,000 or \$7,000 today, but why cannot it be done for \$12,000 to \$14,000? What, other than inflation, is the reason why we cannot perform that same task?

Mr. Atamanenko: Senator Hastings, it is not completely in my area.

Senator Hastings: No, but you must have some views.

Mr. Atamanenko: If I might add an observation: Yes, I believe it is possible. I think technology has reached a point where we can produce housing at a reasonable cost. I know of some developers who are looking at this very strongly, but, again, it hinges on the whole capacity of percentage of loan they can get. I know of one developer who has gone into the condominium concept of a townhouse, where he is producing housing in the \$17,000-\$18,000 bracket, but this is far beyond the reach of the near-poor and the poor we are talking about. Nevertheless, I believe the technology is almost there, to a point where we can do this.

Senator Hastings: I would think that technology could overcome the inflation of the last 20 years, that we should be able to come near a \$7,000 or \$8,000 home. For the life of me, I

cannot understand why it is these \$7,000 or \$8,000 homes have to be \$15,000—with the technology we now have.

Mr. Atamanenko: What has also happened is the inflation of land values that has, of course, increased the servicing and building costs as an integral part. If land can be made available, I am certain that technology can face up to this task.

Senator Hastings: It seems to me that money was used then and paid back by the people over the years. Why we cannot emulate that program, to some extent, I fail to understand.

The Chairman: Have you any views on that, Mr. Lehrman?

Mr. Lehrman: Just that I support my colleague.

Senator Fergusson: There were one or two things I was interested in that have been covered, particularly on urban renewal. One thing I wanted to ask about that is that in the Manitoba association brief there is reference to urban renewal as we see it today being heavily oriented towards the improvement of physical appearance rather than the self-development of people.

Regarding town planners, I do not know how to word it exactly, but would it be in the ethics of your profession to look at just the physical appearance, or would it be part of the way you approached planning to have in mind the self-development of the people? Would that weigh as strongly in your planning as the physical appearance?

Mr. Lehrman: Yes. What we tried to point out in the brief was that in earlier years—and this is going back quite a good way, maybe until the beginning of the century-planning was largely a matter of appearance. The design of cities was sort of a visual design. I think it is some good while back that we realized—and I am referring to people generally and not just town planners—there is a lot more to cities than just that. We have tried in this paragraph on urban renewal to mention that it is not just even the physical design, it is not just the question of "decent, safe and sanitary," as the phrase goes, which in itself is an advance on physical appearance, but it is quite insufficient just building new buildings if the sociological and economic back-up is not there. Otherwise they stick out like a sore thumb, and there are plenty of examples of that. To give a straight answer to your question: Yes, as planners, we would be very concerned with the social and economic input into what we do physically.

Senator Fergusson: I wanted to know if you took that very strongly into consideration in your planning?

Mr. Lehrman: Absolutely.

Senator Fergusson: I was greatly interested in page 1 of the Manitoba association brief, at the end of the third paragraph, where you say that the voice of the poor has seldom reached the political arena with influence. I think that was very well worded, but what can be done to give the voice of the poor more influence in the political arena?

Mr. Lehrman: Specifically, one of the ways which was mentioned before was local participation, grassroots participation in planning—exactly what is being done in Winnipeg now.

Senator Fergusson: I know it has been referred to before, but could you enlarge on it?

Mr. Lehrman: Maybe I will just add another sentence. My point is that if the people who are living in this black or grey area, as it is called in planning parlance, have a series of needs, as undoubtedly they have, and those are formulated and organized, and then voiced—and formulated in a way that makes sense to a politician and to a politician's advisers, such as planners, engineers and so forth—then I think there is a much stronger chance of the voice of the poor having influence than before.

Senator Fergusson: After they have come to an agreement, and this has been heard by the politicians and their advisers, supporting what they voice is contrary to what, say, large business people need, do you think they will carry the weight? Of course, I suppose you do not know any better than I.

Mr. Lehrman: I think the planners' outlook on that would be to weigh what would be good for the city as a whole.

Senator Fergusson: But supposing the people who are going to do the building say, "We will not do it that way. We will not do it at all," and it might not be to their advantage?

Mr. Atamanenko: I think we are talking about the political process where people are involved, and how we get the people in the disadvantaged area involved as much as possible.

Senator Fergusson: And how do we give them a stronger voice?

Mr. Atamanenko: Yes. I believe that the federal Government has already started this in motion through assisting the representatives of various low income groups. In fact, we will be coming to Ottawa in November. This is one direction. Through this I know that in the Victoria region of British Columbia the low income group there is becoming much stronger and is voicing its views to the social planning agencies. It is voicing its views to the provincial Government on the disparities in the welfare program, and it is voicing its views to the municipalities on the lack of housing. I think that the wheels are in motion, and that guidance has been given.

Senator Fergusson; Do you really feel encouraged and optimistic about this?

Mr. Atamanenko: Yes, I do.

Senator Fergusson: This is what we want and what the Government wants, but do you think it will really work out?

Mr. Lehrman: If I can add my two bits' worth to that I would say that I am also hoping it will work out, but planning in the City of Winnipeg is at the moment waiting, as it were, for the findings of these citizens' groups. I think that that is an answer.

Senator Fergusson: There is just one other thing about which I should like to ask, if I may, Mr. Chairman. The brief of the Town Planning Institute of Canada makes reference to appendices A, B and C, but so far as I am aware we do not have them.

Mr. Prévost: These were forwarded to the committee, I believe, with the briefs.

Senator Fergusson: But they are not contained in my copy of the brief.

The Chairman: They are not in mine either.

Senator Fergusson: I do not mind, if you have decided not to put them forward. However, if you are putting them forward then I would like to see them.

The Chairman: We will check on that.

You have made the statement that the voice of the poor has seldom reached the political arena with influence. We agree with that, but, in your experience, is there any political mileage in planners' plans for the ordinary politician?

Mr. Atamanenko: Mr. Chairman, this would certainly vary from community to community. I like to think that we are all part of a team; that the people who are in public office, planners, volunteer groups, and other people are part of a team which is working towards a better kind of environment.

Again, it would vary from one community to the next in terms of how the officials view the advice of their advisers. I think it is up to the advisers to promote the idea that we are working towards a common approach to any community. I am not sure that that answers your question.

The Chairman: All I know is that planners are having a hard time—city planners are, anyway.

Gentlemen, on behalf of the committee, I thank you for your interest and concern, and for the time you have taken to draw a plan. It is a public service and it will be circulated. You are making your way slowly, although you have been in business for a long time. However, more and more people are realizing that you have a real mission and purpose in the community.

Of course, many of your people are now becoming staff members of many municipalities, whereas formerly they were hired on another basis. This makes a great deal of difference; I think it is a real recognition that is beginning to come to you. The committee feels you should have more recognition, but that will take a little more time. But, you do show public concern by coming here and making a presentation. The committee thanks you for it.

The committee adjourned.

# Brief Submitted by The St. Vincent de Paul Society of Canada to the Canadian Senate Committee on Poverty

To the Chairman and Members of The Canadian Senate Committee on Poverty,

Gentlemen.

In keeping with the Rule adopted by its founders, the St. Vincent de Paul Society of Canada, for the past hundred and twenty five years, has carried on its work in relative obscurity, avoiding all publicity other than that which discreetly made known to its thousands of potential and anonymous contributers the importance of sharing with the less fortunate and the needy.

On this day, the Society breaks off from this long established tradition of silence and discretion, and appears before your Committee in the belief that such an exception to the general rule may, in the long run, prove to be of some benefit to the poor, to whom it is entirely devoted. On the other hand, the members of the Executive Council of the Society did not think it proper to pass up this opportunity of expressing publicly, their gratitude to the persons responsible for your praiseworthy undertaking, as well as their hope, if not their conviction, that the work of your Committee will eventually result in a better life for the underprivileged people of our country.

This brief was prepared by a special committee selected from among the members of the national executive of the Society. It is an attempt at summarizing the many and varied opinions expressed within the individual conferences that make up the St. Vincent de Paul Society in Canada and in that sense, it tends to reflect as faithfully as is possible, the true collective opinion of the membership of the Society.

Some of the working papers submitted to the special committee contained information of such pertinent nature that it was thought advisable to include them in their integrity as appendices to the main portion of the brief. In like manner, the work accomplished by the St. Vincent de Paul Society in Canada is of such scope—having in times of crisis played a historic role of prime importance—that this brief would not have been complete without a detailed summary of the Society's activities over the years. Such a summary has also been included as an appendix.

The task of presenting the brief has been entrusted to a group of people chosen from among the members of the national executive and representing the various elements which make up the St. Vincent de Paul Society of Canada. This group comprises:

MRS. MARIE CLAIRE G. LETARTE, 1045, St. Cyrille Boulevard, Quebec, International Vice-President of the St. Vincent de Paul Society for the three Americas, and President of the Women's Superior Council of the Society in Canada.

GERARD LEMAY, 105, Laurier Avenue, Quebec. Judge of the Quebec Provincial Court, and President of the Men's Superior Council of the Society in Canada.

ROGER CALOZ, 2, Heatherington Drive, Agincourt, Ontario. Chartered Accountant and President of the Ontario Provincial Council of the St. Vincent de Paul Society.

JEAN-CLAUDE NEPVEU, 635, Parent St., Saint-Laurent, Montreal, Quebec. President of the Montreal Hydro-electric Commission, President of the Montreal Central Council and National Vice-President of the St. Vincent de Paul Society of Canada

MAURICE OUELLETTE, P.O. Box 243, Chicoutimi, Quebec. Regional Co-ordinator for the Quebec Department of Municipal Affairs, President of the Chicoutimi Central Council and National Vice-President of the St. Vincent de Paul Society of Canada.

PATRICE THOMAS BOUDREAU, 165, Grande-Allée, Quebec. Special advisor to the Quebec Minister of Agriculture and Colonization and member of the National executive of the St. Vincent de Paul Society of Canada.

PAUL GOULET, 1050, de Coulonge St., Sillery, Quebec. Executive Director of the National Council of the St. Vincent de Paul Society of Canada.

#### APPENDICES

APPENDIX "A"—Historical notes on the founding, development and work of the St. Vincent de Paul Society of Canada.

APPENDIX "B"—The Women's Superior Council of the St. Vincent de Paul Society of Canada.

APPENDIX "C"-The poverty of Legal assistance.

APPENDIX "D"--Poor among the poor-the ex-convict.

APPENDIX "E"—Memorandum submitted by the Montreal Central Council of the St. Vincent de Paul Society of Canada.

APPENDIX "F"—Specimen of questionnaire completed by some three thousand Canadian families currently receiving assistance from the St. Vincent de Paul Society of Canada.

THE ST. VINCENT DE PAUL SOCIETY OF CANADA SUBMISSION TO

THE SPECIAL SENATE COMMITTEE ON POVERTY

### The St. Vincent de Paul Society of Canada

1. For well over a century, the St. Vincent de Paul Society of Canada has been identified with direct relief work in the service of the poor, the unfortunate, the suffering and the needy. Introduced to Quebec in 1846 by Doctor Joseph Painchaud, himself a disciple of young Frederick Ozanam, the founder of the Society in France, the Canadian branch of the St. Vincent de Paul Society filled such a crying need, that within a very few years, units of the Society, or conferences as they are usually called, had spread throughout the country. And by 1856, at the time of the first major economic slowdown in Canada, conferences of the St. Vincent de Paul Society were carrying on their work of charity in most of the cities throughout Canada and particularly in Halifax, Quebec, Three-Rivers, Montreal, Ottawa, Toronto and Vancouver.

- 2. Out of the inspired imagination of the young founder of the Society came the formula of local cells or conferences which makes it possible to establish intimate contact with underprivileged members of society in the very midst of their sufferings and privations and not only to take care of their more pressing material needs but also to determine and eliminate if possible the deep-set causes from which they spring.
- 3. Conferences of the St. Vincent de Paul Society are made up of a limited number of volunteer workers who labour without pay, at the parish or community level, for the relief of the poor and unfortunate of all categories, regardless of race, color or creed. Members keep in constant contact with the underprivileged, remaining week in and week out in close touch with their problems and their efforts at solving them, able to take with some precision, the pulse, as it were of this suffering segment of our population and storing up for immediate as well as for future use valuable data with which to document the search for a global and lasting solution.
- 4. There are, in Canada, 859 St. Vincent de Paul conferences, grouped in 95 Particular or Regional Councils. These in turn, are grouped together into 9 Central Councils. At the top of this administrative pyramid are two National or Superior Councils, the Men's Superior Council of Canada and the Women's Superior Council of Canada.
- 5. Spread in uneven density over the entire stretch of the Canadian territory, St. Vincent de Paul Society conferences do, to a certain extent, concentrate the major portion of their activities in the larger urban centers such as Quebec, Montreal, Chicoutimi, Saint-Jean, Ottawa, Toronto, London, Vancouver and Halifax. Nevertheless, in many cases their operations also extend into rural districts particularly those situated in the immediate vicinity of the major urban communities.
- 6. It is also fitting to mention the many charitable institutions which have been founded by the St. Vincent de Paul Society of Canada in the course of its existence. It is with some pride that the Society recalls its association with such worthwhile undertakings as the Ste. Madeleine House of Refuge, the Sisters of the Good Shepherd of Quebec, the Youth Centers, the People's Banks, (now the Provincial Bank), the Soup kitchens, half-way houses for ex-convicts, Sewing circles and Seamen's Clubs.

#### Special study of the causes of poverty

- 7. For the purpose of the present brief, the St. Vincent de Paul Society of Canada, after more than a century of service to the poor, could well have relied on the unlimited amount of pertinent information accumulated over the years and readily available in its voluminous archives. It was felt however that the importance of the occasion warranted the gathering of more up to date data and for this reason a detailed questionnaire was prepared and distributed to approximately three thousand families currently receiving assistance from St. Vincent de Paul conferences in the areas of Montreal, Quebec City, Chicoutimi, Joliette, Toronto, Windsor, London, Victoria, Vancouver and Halifax.
- 8. An analysis of the information obtained in the course of this investigation reveals that, in almost all cases, the state of poverty uncovered by the voluntary workers of the St. Vincent de Paul Society, stems in almost equal proportions from four major factors, namely, permanent or chronic unemployment, illness or physical disability of one or both parents, insufficience of income

- in proportion to family responsibilities and alcoholism. There is also, in every case, besides one or more of the major factors already mentioned a maze of interdependent secondary or remote causes such as matrimonial problems, lack of education, lack of adequate preparation for the labour market, laziness or desertion on the part of the family bread-winner, recent migration to an urban center and the general apathy of the social environment. All these factors are so closely inter-related that it becomes impossible to determine whether one is dealing with the causes or the effects of a hopeless situation and even when concerted action is taken against one or the other of these factors in particular, no significant progress is achieved in the overall situation.
- 9. The St. Vincent de Paul Society's survey also revealed in urban areas a most disquieting aspect of the problem of poverty, the existence of which had been previously thought to be confined to a few relatively isolated rural areas. Answers to the questionnaire indicate that, if exception is made of certain districts of Montreal where social workers and citizen's groups have been particularly active, in excess of 25% of the families currently receiving assistance have accepted as normal their present situation and show not the slightest inclination to strive for a better lot.
- 10. Considered for their intrinsic value as well as in relation to the practical experience of a past, rich in accomplishments in the service of the poor, the results of the 1970 survey make it possible to lay down a certain number of basic principles which, we believe, should serve as a starting point to any attempt at initiating a programme of social security by the various administrative levels of the machinery of government. These same principles have guided us in our work and have inspired the recommendations contained in the present brief.

#### General principles

- 11. The mere distribution of direct assistance in the form of cash payments no doubt contributes to some extent to the relief of material, and sometimes moral difficulties. But in no way can it be accepted as a definite, or even partial solution to the overall problem of poverty. During 1969, the federal, provincial and municipal governments in Canada distributed in various forms of social security payments the enormous sum of eight billion, seven hundred million dollars. Yet, all things considered, the number of poor in Canada in 1970 is at least equal if not superior to that of the period from 1920 to 1930 when social security measures were still relatively unknown.
- 12. Even when the problem of poverty is considered under its more immediately practical aspect, namely, the study of indididual cases, it becomes evident that only in exceptional cases, does direct assistance in the form of cash remittances provide a global solution to the problems of the individual or family concerned.
- 13. Direct assistance in the form of social welfare payments, subjected to the hazards of an often biased analysis of the needs of an individual or family should be forever banned from our Canadian way of life. Nothing is so frustrating, so depraying, so destructive of all personal initiative and every trace of individual or collective energy, nothing contributes so much to the loss of all human dignity as the constant concentration of efforts on the part of the outcasts of society at convincing the public authorities of the extent of their own degradation.

- 14. If we take for granted that in the Canadian context a state of poverty constitutes an abnormal human condition and that the efforts of all including the governing powers should be directed towards, not only providing temporary relief, but bringing about its complete eradication, then it stands to reason that all measures of social security should be so structured and applied as to achieve this fundamental objective.
- 15. Unless and until it becomes possible to bring radical changes to the basic characteristics of the human race, the combined efforts of all segments of society will never achieve the complete elimination of the problem of poverty. This is an eternal truth with which we must learn to live, without letting its dire consequences deter us from constant and renewed effort. The St. Vincent de Paul Society recognizes the fact that "the poor you will always have with you" (John XII, 8); it persists nevertheless in basing its action in the service of the poor on that other proclamation of Christ: "In as much as you did it for the least of my brethren, you did it unto Me" (Matt. XXV, 40).

## Definition of poverty

- 16. The St. Vincent de Paul Society of Canada can accept only with the strongest reservation, the definition of what constitutes a state of poverty as contained in the 1968 annual report of the Economic Council of Canada, that is, an income under \$1800 in the case of a single person and \$3000 for a family of two, these amounts increasing to \$4800 for a family of five children. Regional disparities and countless other factors, impossible to evaluate, preclude the adoption of such arbitrary standards.
- 17. On the contrary, poverty appears to us, not mainly, as a lack of material goods, but as the outcome of an intermingling of numerous moral and psychological factors, all parts of snowballing vicious circle, seemingly defiant of all efforts at breaking it up. There is always an element of relativity to the phenomenon of poverty and it only becomes an absolute reality in those cases, seldom found in Canada, where individuals or families are deprived of the very basic necessities of life.
- 18. Poverty cannot be defined in absolute terms. At best, it is possible to make an attempt at categorizing its more apparent outward manifestations. And even in the latter case, it must be remembered that such classification can only be the result of a purely subjective analysis, intended to serve specific purposes. It is with this in mind that, for the purpose of this brief, the St. Vincent de Paul Society of Canada has tried to outline those outward aspects of the problem of poverty most applicable to the Canadian scene.
- 19. There is, first of all, a physical or material poverty, which, alone and within certain limits only, can be relieved by means of direct cash remittances. This form of poverty consists in the lack of sufficient income to guarantee the individual or the family such a degree of material well-being as is necessary to maintain the minimum standards of human dignity. Being materially poor is to be without the means of providing one's self or one's family with decent shelter, food and clothing; it is being the victim of illness or accident and unable to obtain even the most urgent care; it is having to send children to school without being properly fed; it is having to walk the streets endlessly in a fruitless search for unavailable employment; it is dropping out of school or university because of the lack of sufficient funds to pay for the necessary books and tuition fees.

- 20. There is also a social poverty, the unenviable lot of an ever increasing group of people, which modern society, with its corrupting materialism, tends more and more to reject. Among these are the widows, left with heavy family responsibilities, incompatible with any hope of contracting a new marriage; likewise the thousands of women, and men, deserted by irresponsible husbands or wives incapable of coping with their matrimonial difficulties; such also are the aged people, to whom the present generation barely recognizes the right to linger with their memories of the past; the thousands of unfortunate orphaned children, whose lack of physical attractiveness failed to arouse the interest of prospective foster parents and who pursue their unhappy existence within the confines of charitable institutions: and last but not least, the countless victims of alcoholism, drugs and permissiveness, whom a so-called "advanced" society abandons to their fate once it has successfully engineered their physical and moral collapse.
- 21. There is a form of cultural poverty, mainly centred in the slum districts of our major cities and in many rural areas, which sometimes appears to be genetically transmitted from one generation to the next. In many of our Canadian cities, the St. Vincent de Paul Society is currently assisting the fourth and fifth generations of families whose level of instruction has never gone beyond the fifth grade. This lack of schooling tends to become more generalized in rural areas. According to the 1961 Census, 70% of Canadian farmers had not completed their ninth grade and 50% had not attended school beyond the sixth grade level. This form of cultural poverty has always been the shortest and best route to material poverty.
- 22. There is the poverty of legal assistance. With two exceptions, (Ontario and British Columbia), no Canadian province has a regularly coordinated system of legal assistance. In a few cities and in some rural districts. Bar associations have made more or less successful attempts at making up for this deficiency and quite a number of lawyers have, in a private capacity, donated their services without fee to help those unable to afford regular legal counsel. There is still, however, an immense gap between the needs to be filled and the relatively few positive steps taken to fill them. The vast majority of those who appear before the courts of our country are products of the less favored classes of society. They appear, seldom as plaintiffs, more often as defendants, summoned in their capacity as parents, spouses, purchasers, consumers, lessees or tenants. Many are brought to trial, accused of minor offences or even crimes, more often than not a direct result of their more or less sordid living conditions.
- 23. Finally, we have the poorest of the poor, the newly discharged prisoner or ex-convict. Generally speaking, most people find it easy to entertain feelings of sympathy for men serving sentences behind bars. The situation is quite different, however, when the prisoner is discharged, either on parole or after his sentence has been served. Morally and physically weakened by a more or less extended period of detention, the newly released prisoner is confronted with almost insurmountable difficulties of integration into his new environment. He has little or no money and the only references he can provide a prospective employer are contained in the criminal record which will be his only passport to employment for the rest of his life. Unable to find remunerative work of any kind, often disowned by his relatives, he has no alternative but to turn to the only friends he knows, the professional criminals with whom he might have associated

before serving his prison term or whom he met with during his stav behind bars.

#### The fundamental right to a minimum of well-being

- 24. "If the earth truly was created," declares Pope Paul VI in his encyclical message Populorum Progressio, "to provide man with the necessities of life and the tools for his own progress, it follows that every man has the right to glean what he needs from the earth. All other rights, whatever, they may be, including the rights of property and free trade, are to be subordinated to this principle." (1) Before him, Pope John XXIII had already stated in his encyclical letter Pacem in Terris that "Every human being has a right to life, to physical integrity, and to necessary and sufficient means for a decent existence, notably in what pertains to food, clothing, lodging, rest, medical help and social services." (2)
- (1) Encyclical message Populorum Progressio—Paul VI—p.22
- (2) Encyclical message Pacem in Terris-John XXIII-p. 11
- 25. This fundamental right that every man has to a minimum of material well being can be assured only through concerted action on the part of the state. As a matter of fact, most of the states in the modern world have recognized their responsibility in this field and have initiated some form of government action. Many have resorted to an exaggerated form of state socialism which succeeds in providing every human being with the basic vital necessities, but not without sacrificing even the slightest trace of individual liberty. Others, including Canada, have attempted to solve the problem of poverty through a number of state interventions in the various sectors where the need became more readily apparent. Such interventions, in the form of an ill-assorted and un-coordinated series of welfare measures, not only failed to provide the desired lasting solution but brought about the conditions described in most of the briefs submitted to your Committee and recently qualified by an editorial writer of the Montreal Gazette as "the mess" of the Canadian welfare system.
- 26. The St. Vincent de Paul Society of Canada does not pretend,—as we have attempted to demonstrate throughout this brief,—that it, alone, is in possession of the truth or that it has miraculously come upon the universal remedy that will eliminate all traces of an evil with which the entire human race has been struggling since civilization began. It does, however, hold strongly to the opinion that Canada, a country immensely rich, both in material and human resources, can, and should, guarantee to every one of its citizens such a minimum of material goods as is, according to St. Thomas Aquinas, "essential to the practice of virtue."

#### Role of the state

27. The first responsibility of the State, the main reason, as it were, for its existence, is to promote the normal development and constant growth of the cultural, social and economic potential of the people under its jurisdiction. It is in this way and particularly through its direct and dynamic action on the economy that it can contribute most effectively towards solving the problem of poverty. "Public authorities" wrote Pope John XXIII, "must make their presence duly felt with a view to promoting the development of production on behalf of social progress and for the benefit of every citizen." (1) Your Committee chairman, Senator David Croll, said much the same thing when he declared on October 28th, 1969, that "in order to eliminate poverty, we

must combine a steady rate of economic growth, a high rate of employment and steady prices."

- (1) Encyclical letter Mater et Magistra-John XXIII-p. 52
- 28. Unfortunately, experience has proved that under an economic system of free enterprise, respectful of individual liberty, even the best directed efforts of the State do not succeed in eliminating the many islands of economic stagnation where unemployment and poverty prevail on a permanent basis. In fact it can happen occasionally, as recent events have amply demonstrated, that during a period of economic inflation, unemployment may well be considered as a lesser evil.
- 29. It follows therefore, that, regardless of the type of influence it is successful in exercising on the overall economic situation, the State will always have an obligation to take direct action in the field of social security. "Social progress", says John XXIII, "should accompany and unite with economic development in such wise that every social class may have its share of increased production." (1)
- (1) Encyclical letter Mater et Magistra—John XXIII—p.73
- 30. The St. Vincent de Paul Society of Canada, entirely dedicated to the service of the poor, is in no way concerned with the many conflicting opinions currently being debated on the Canadian political scene concerning possible modifications to the Canadian constitution. The solutions it puts forward to the problem of poverty apply, for the present as well as for the future, to Canada as we know it to-day. Constantly aware of the need to remain objective, the Society has attempted to outline the various fields in which each of the three levels of government, municipal, provincial and federal, should strive to exercise its corrective action.

## The federal level

- 31. In view of the many regional disparities and the wide range of variation in the Canadian economic sprectrum, the Federal government alone is fully competent to bring about a redistribution of material wealth in such manner as to assure each member of the Canadian community the minimum of well being to which he is entitled.
- 32. The St. Vincent de Paul Society of Canada recommends that the Federal authorities make a serious study of the possibilities of implementing, in the shortest limit of time, a national plan of guaranteed annual minimum income by means of a negative income tax program. Such annual minimum income could be the one arrived at by the Economic Council of Canada, but in any case, it should be realistic and subject to revision at least once every five years. Every Canadian citizen, from the age of eighteen until his death, would receive from the Federal treasury, in twelve equal monthly instalments, an amount equivalent to the difference between his actual earned income and the fixed guaranteed minimum income, expressed in terms of basic exemptions and deductions for dependents. The principle of a guaranteed minimum income is already recognized in the case of persons aged 65 and over. The negative income tax program, replacing the present system of universal old age pensions would save the National Treasury countless millions of dollars actually being paid to thousands of aged people for whom the monthly pension cheques represent a totally unjustified surplus income.

- 33. The Implementation of a national plan of guaranteed minimum annual income, besides assuring to all Canadians the enjoyment of a minimum of material well-being, would eliminate most of the present welfare schemes. There is no doubt that in some cases where people for generations have had to do with the barest necessities, the prospect of a guaranteed minimum income could serve as an inducement towards avoiding employment. However, in the context of our Canadian society, where productive activity of one kind or another is still considered a criterion of respectability, one may well wonder whether such persons are not in need of medical or pyschiatire attention rather than deserving of collective and official censure. Moreover, incentives to work may be stimulated through the medium of Unemployment Insurance regulations and the Canada Pension Plan.
- 34. The St. Vincent de Paul Society of Canada fully endorses the amendments to the Unemployment Insurance regulations suggested in the white paper recently made public by the Federal authorities. It further recommends, however, that Unemployment Insurance benefits be henceforth based not on the value of the stamps earned, but on the weekly average represented by the actual income of the claimant during the calendar year immediately preceding his period of unemployment. As every Canadian citizen would be under the obligation to file an annual return of his earnings, such information could be electronically verified with relative facility. On the other hand wage earners would thus be encouraged not only to declare all sources of income but also to take advantage of any employment available to increase their annual income, the latter being the determining factor in establishing the amount of their weekly Unemployment Insurance benefits should the occasion arise.
- 35. In order to enable every Canadian citizen to take full advantage of the benefits of the Canada Pension Plan, the Federal government should consider as regular income Unemployment Insurance benefits as well as monthly payments from the guaranteed annual income scheme, and deduct therefrom whatever amounts would apply to the Canada Pension Plan up to the required maximum.

#### The provincial level

- 36. No longer involved in any of the activities related to the field of direct social assistance,—which activities, according to the very authorities in charge, constitute an open invitation to political intrigues, blackmail, fraud and theft, not only on the part of those receiving assistance but also on the part of the people responsible for its administration,—the provincial governments would be free to devote all their energy and available resources to the creation of a social climate favourable to the fullest cultural and social development of all classes of citizens. Such direction imparted to the evolution of the individual citizen once he unites with his fellow-man to constitute a social entity, would appear to be essentially a provincial responsibility. This responsibility should be exercised to the fullest extent by the Provincial governments and particularly in the fields of education, leisure, health, social work, labour and justice.
- 37. The St. Vincent de Paul Society of Canada notes with satisfaction the giant steps forward taken by all provincial governments in the field of education. It recommends nevertheless, as a means of opening to all classes of society the avenues to higher education, that the provincial authorities continue and increase their efforts in view of providing free education at all levels up to

- and including the university level. The governing powers must however, be prepared to acknowledge the fact that all citizens are not endowed with sufficient intellectual talent to accede to the higher levels of education. Consequently, standards of admission should be sufficiently severe as to avoid the creation of a class of professional students whose prolonged stay in educational institutions has no other purpose than the spreading of dissention and revolution.
- 38. Provincial governments should increase the number of technical schools and direct and coordinate their development in line with the needs of industry both for the present and for the years to come. Provinces should likewise set up subsidized apprenticeship training programs in the various trades in all three sectors of economic activity.
- 39. The exceptionally rapid transition form a rural to an essentially urban way of living experienced by our Canadian society has created almost insurmountable problems of adaptation and re-education. Provincial authorities should entertain strong concern for the many individuals and families uprooted from their natural and normal environment as a result of Canada's fantastic rate of industrial development. Through continuing education, the necessary means must be provided for their profitable integration into their new surroundings and adaptation to their new circumstances.
- 40. The forty hour week, still considered an impossible dream less than thirty years ago is already being replaced by the thirtysix, the thirty-two, the thirty hour week and even less. Finding new ways of putting to profitable use these many extra hours of leisure should be one of the foremost preoccupations of all provincial governments. Multiplying the number of available camping grounds and amusement parks and the systematic training of hundreds of group sports promoters and instructors are fields in which action on the part of provincial authorities should be increased ten-fold. Our individual and collective efforts at attracting and pleasing American tourists should give way to the preoccupation of accommodating our own Canadian visitors. And to this end, provincial governments should take whatever measures are necessary to insure that those sites, which lend themselves naturally to sporting activities of all kinds, remain accessible, under control, to all classes of citizens and not become private reserves limited to the exclusive use of a few privileged individuals.
- 41. The vast majority of Canadians are already enjoying the benefits of universal Hospitalization and Health Insurance plans. In the latter case, the few provinces that have not already taken advantage of the plan will no doubt do so in the near future. The St. Vincent de Paul Society of Canada cannot but reap immense satisfaction from this fortunate development which finally restores to the poor the sacred and fundamental right to life and health which the mere lack of financial means has so often denied them in the past. It is hoped that provincial authorities will make every effort to develop and modernize available facilities in order that medical services guaranteed by law will be, in fact as well as in theory, accessible to all classes of citizens.
- 42. The increasing popularity of radio and television, so-called "open line" programs is a disturbing phenomenon, particularly when one realizes the lack of preparation, if not the incompetence, of the self-styled "experts" in charge Such phenomenon, however provide ample proof of the urgent need of the common

man to consult with knowledgeable persons in an effort to find a solution to his every day problems. Provincial governments should undertake the recruiting and training of vast numbers of social workers whose only responsibility would be to bring counsel and help to individuals and couples, families and aged persons and to every category of suffering of unfortunate people. The fact that they would no longer be associated with the unpleasant task of determining the size and frequency of welfare payments would no doubt go a long way towards assuring such experts in social work the degree of public respect which they have always deserved but have very seldom received.

43. It becomes increasingly obvious that we are still far removed from that extremely delicate balance that should normally exist between unions and employers in the field of collective bargaining. On the contrary, the lack of common purpose, the basic misunderstanding between the two groups seems to be constantly growing in importance, particularly since the extension, to employees of the public service, of the right to strike has given organized labour a degree of power which it does not yet seem capable of handling. The St. Vincent de Paul Society has not the slightest intention of contesting the right to strike for any class of workers in Canada. But it does consider unfortunate that the degree of power it carries should be concentrated in the hands of a few union leaders, some of whom appear to be using it for their own personal advancement and have even gone so far as to publicly declare their intention of using such power for purposes totally foreign to he immediate interests of the workers they represent. We therefore recommend that provincial labor codes be so amended as to restore the power of strike to those for whom it was originally intended, namely the workers themselves. All workers involved in a labour dispute should be given the opportunity of voting in favor or against strike action in the relative calm of their own homes, confronted with their family responsibilities and far removed from the influence of professional agitators. Supervision of such vote could be assured by officials of provincial Departments of Labour. Strike action would be legally authorized only on the condition that fifty per cent plus one, not of the persons casting ballots, but of the workers duly inscribed on the official list of the labour union involved, declare themselves in favor of such a measure.

- 44. The St. Vincent de Paul Society of Canada also recommends that provincial governments strive, by every means at their disposal, to convince the major labour groups of the necessity of consenting to a period of catching-up during which period every effort should be made to consolidate advantages already obtained and to extend the benefit of such advantages to the very high proportion of non-unionized workers who are yet without any protection and whose difficulties tend to increase in direct proportion to the degree of success obtained by organized labour.
- 45. Legal assistance and the re-integration of the newly released prisoner into a normal society are fields of social action in which the responsibility of the provincial level of government appears evident and where practically everything remains to be done. The St. Vincent de Paul Society of Canada has traditionally focused its attention on the helpless victims of the public administration of justice as well as on those particularly unfortunate individuals, the ex-convicts. Proof of this may be found in the very existence of the Society's favorite projects, the centers of rehabilitation such as La Maison Painchaud and the St. Leonard Houses. Similar proof, if necessary, can also be found in the substantial documentation included as an appendix

to the present brief. The St. Vincent de Paul Society of Canada holds to the opinion that provincial governments should, even now, anticipate the establishment of a contributory form of legal assistance plan, similar to, though of less importance than, hospitalization or health insurance. The St. Vincent de Paul Society of Canada is likewise of the opinion that provincial governments should provide financial assistance to those organizations which voluntarily donate their services to the welfare of prisoners, not only during their stay in prison but also and especially following their release.

#### The Municipal Level

46. As long as the overall sources of potential tax income continue to be portioned off in such a way as to restrict the levying of taxes by the municipal governments almost exclusively to the assessed value of real estate, municipalities should not be called upon to assume any financial responsibility in the field of social security. They can only do so at the risk of having to tax property to the extent that access to private ownership of real estate becomes, as has often been the case, limited to a privileged few. Moreover, the increasing differential in the financial resources of the various municipalities, sometimes even adjacent, often creates a situation where the amount of direct assistance provided to citizens, by virtue of their fundamental right to a minimum of well-being, relates not to the actual needs of the individual or family but to the presence or absence of prosperous industries within the limits of the municipality. Provided federal and provincial governments take on those responsibilities which are logically theirs, the role of the municipal government should be limited to that of maintaining such quality of public utilities and services as can only be guaranteed, particularly in the major urban centers, by mobilizing every available source of income.

#### Conclusion

- 47. Throughout its long history, the St. Vincent de Paul Society of Canada has been able to appreciate the everlasting truth contained in these words which the late Cardinal Villeneuve, Archbishop of Quebec, used to quote at every opportunity. "Since the beginning of time and throughout the world, it has been found that it is always the poor who give most generously to works of charity, because they themselves have experienced suffering and privation and because the goodness of heart which is always the essential motive behind every donation is their principal if not their only asset." In a world where man's ability to adjust has not been able to keep up with the rate of scientific and technical development, the traditional generosity of the less poor among the poor can no longer take care of the countless victims of such rapid progress. The proposal, therefore, to effect a further redistribution of material wealth, as set forth in the present brief, has no other purpose than to make it possible for every Canadian to take on his share of the burden which has too long been assumed by a relatively limited number of men and women of good will.
- 48. Such proposal should not be construed, however, as implying that the St. Vincent de Paul Society of Canada is ready to give up on the mission entrusted to it by its founders. Whatever may be the action of governments at all levels, there will always exist some form of relative poverty to be relieved. The gradual disappearance of strictly material poverty will, on the contrary, make it possible for all charitable institutions to exercise to the fullest extent the role of Good Samaritan which is theirs by choice.

#### RECOMMENDATIONS

- 1. That the Federal government initiate a serious study of the possibilities of establishing in Canada a universal plan of guaranteed minimum annual income by means of a negative income tax program.
- 2. That Unemployment Insurance benefits be no longer based on the value of the stamps earned by on the weekly average represented by the actual income of the claimant during the calendar year immediately preceding his period of unemployment.
- 3. That the Federal government consider as regular income Unemployment Insurance benefits as well as monthly payments made by virtue of the guaranteed minimum annual income plan and deduct therefrom whatever amounts apply to the Canada Pension plan up to the required maximum.
- 4. That provincial governments make an all out effort to guarantee to all classes of society, access to free education at all levels up to and including the university level.
- 5. That provincial governments increase the number of technical and vocational schools and plan their development according to the needs of industry.
- 6. That provincial governments institute subsidized apprenticeship training programs in the various trades and in all three sectors of economic activity.
- 7. That provincial governments take immediate steps to provide the many individuals and families, transplanted from a rural environment to an urban community as a result of Canada's industrial development, with the means to ensure their profitable integration into their new surroundings.
- That provincial governments multiply the number of available camping arounds and amusement parks and proceed immediately to the systematic training of group sports promoters and instructors.
- 9. That provincial governments make every effort to develop and modernize available hospital and medical services, already guaranteed or about to be guaranteed by law, in order that they may become accessible, at all times and anywhere in Canada, to all classes of citizens.

- 10. That provincial governments undertake the recruiting and training of vast numbers of social workers whose responsibility would be to bring counsel to individuals and couples, families and aged persons, suffering or unfortunate people of all categories and to help them find solutions to their personal and collective problems.
- 11. That provincial labour laws be so amended as to provide all workers involved in larbour disputes, the opportunity of declaring themselves in favor of, or opposed to strike action, by means of a referendum supervised by local Department of Labour officials, and the right to cast their vote in the relative calm of their own homes, confronted with their family responsibilities and far removed from the influence of professional agitators. A further amendment should provide that strike action would be legally authorized only on the condition that, fifty per cent plus one, not of the persons casting ballots, but of the workers duly inscribed on the official list of the union involved, declare in favor of such a measure.
- 12. That provincial governments strive, by every means at their disposal, to convince the major labour groups of the necessity of consenting to a period of catching up, during which period every effort should be made to consolidate advantages already obtained and to extend the benefit of such advantages to the great number of non-unionized workers who are still without any kind of protection.
- 13. That provincial governments give consideration to the possibility of establishing in the near future a contributory form of legal assistance plan similar to, through of less importance than, hospitalization or health insurance.
- 14. That provincial governments provide financial assistance to those organizations which voluntarily donate their services to the welfare of prisoners not only during their stay in prison but also following their release.
- 15. That municipal governments be no longer called upon to assume any financial responsibility in the field of social security and that their role be limited to the maintenance of such quality of public utilities and services as can only be guaranteed by mobilizing all available financial resources.

# Appendix "A"

# The St. Vincent de Paul Society in Canada

Generally speaking, there are two kinds of group reaction to a situation of poverty. The first, usually found either in times of national disasters, in periods of economic depression or in the presence of specific forms of distress, results in the spontaneous creation of special organizations. Such organizations are brought into existence, grow, and usually accomplish the specific purpose for which they were created. Then, like certain types of medication, once the crisis is passed, as soon as the cause of suffering has been eliminated and normal conditions restored or the desired renewal achieved, they disappear from the scene there being no further reason for their existence.

The other reaction differs considerably from the first. It usually manifests itself in the urge to create and develop institutions that will continually strive to find solutions to the vast and complex problem of poverty and particularly those forms of want and destitution which have assumed specific and often permanent characteristics. This type of reaction has resulted in the founding of such organizations as the Cancer League, the Anti-Tuberculosis League, the Society for Mental Health, the Society for Physically Handicapped Children, the Salvation Army and the Red Cross.

One of these organizations, introduced in this country well over a century ago, is the Canadian branch of a Society which carries on its work in one hundred and seven countries throughout the world. Units of this Society, usually called cells or conferences, can be found in all our major cities and larger rural centers. At times of major economic crises in the past century it has often become the focus of attention in our social and economic life. Indeed, the very mention of its name has oftentimes managed to awaken feelings of uneasiness in the hearts of the well-to-do and shamed them into greater action. This organization, the St. Vincent de Paul Society of Canada, sometimes familiarly known as "the St. Vincent de Paul", is always present wherever want and poverty exist.

It was in Quebec City, on July 19th, 1846, the day which the Catholic Church has designated as the feast of St. Vincent de Paul, that Doctor Joseph Painchaud founded the Society in Canada. He had just returned to his native Quebec after completing his studies in France where he had met and worked with the founders of the new Society. Within three months, three local groups or conferences were active in the city of Quebec, and this rate of development, remarkable as it was at the time, was to continue unabated, earning for the Society in a relatively limited period of time popular and official recognition on a national basis. In fact during the crisis-laden hours of our history the development of the Society took on truly miraculous dimensions even though at no time was its voice ever heard in the spheres of political action or influence. In the course of this fantastic development the Society managed to reach out and often rescue those countless victims whom the churches, the governments and various institutions could no longer reach or even had abandoned by the wayside.

In 1850, the international headquarters of the St. Vincent de Paul Society granted a charter to the Superior (or National) Council of Canada, deciding on the city of Quebec as national headquarters of the Canadian branch of the Society. Thereafter, the number of conferences increased as if by magic and by 1856, there were conferences for French-Canadians, for English-Canadians, for Canadians of Irish descent and for immigrants.

The St. Vincent de Paul Society of Canada comprises two distinct sections: the men's section and the women's section. Both use the same methods to achieve their purpose. There has always existed between these two wings of the Society a spirit of fraternal co-operation and a large number of projects of national importance have resulted from the joint efforts of these two bodies of voluntary workers.

Particulars concerning the women's section of the St. Vincent de Paul Society of Canada are included as Appendix "B".

The introductory remarks appearing at the beginning of the present brief make reference to a number of charitable institutions which have come into being through the action of the St. Vincent de Paul Society of Canada since its founding. These institutions have played a major role in the rehabilitation of countless families

The St. Vincent de Paul Society itself has not laboured entirely under a veil of secrecy. It has on the countrary always been in the midst of things, forever on the alert, ready at all times to offer its co-operation to other groups and to all levels of government. During every major economic slowdown, cities like Montreal and Toronto have relied entirely, for the distribution of direct relief in the form of food and clothing, on the St. Vincent de Paul Society whose members, without exception, served without any remuneration or pay.

At the beginning of the present century, when the central government had not yet introduced the many social security measures now in force, the then Prime Minister of Canada, blamed his political adversaries, —not without a touch of humour—, for "giving all the credit for our economic development to divine Providence without giving the government its due share". Sir Wilfrid Laurier's flash of wit may well have been an indication of the important role played by our Society in certain areas as well as of the influence exercised on the masses by its active membership.

On the fiftieth anniversary—of its founding the number of conferences of the St. Vincent de Paul Society of Canada had increased to one hundred and four with a working membership of 4,677.

Then came the first World War. An examination of the records of the Society for that particular period provides a vivid picture of the ardour with which the members carried on their work of charity and of the unlimited energy displayed by the Society as a whole. With thousands of people going hungry, various churches as well as some municipalities, including Montreal and Toronto, set up relief funds which were handed over to the St. Vincent de Paul Society with the mandate to feed and clothe those in need.

The Society's activities went on simultaneously on many fronts. A striking example of the trust and confidence its members

Poverty

managed to inspire may be found in the following incident. When the Royal French-Canadian Regiment, —later to become famous as the "Van Doos"-, was posted to Amherst, Nova Scotia for final training before boarding ship for England and the European front, the people of that province by the sea were not exactly enthusiastic in their welcome. Store were closed on the day of its arrival, the streets empty and what people could be seen wore expressions of impending disaster. However, a number of soldiers in the regiment had organized a conference of the St. Vincent de Paul Society whose members spent their off-duty hours distributing food and clothing to the poor of Amherst and the surrounding districts. The local population was not long in reacting to such dedication on the part of army personnel, and when, two months later, the regiment received its marching orders there was a distinct contrast in the town's attitude. A civic holiday was proclaimed to allow the entire population to escort the regiment to the railway station and both the Mayor of the town and the local member of parliament rode on the train with the soldiers as far as Halifax.

The historic Spanish flu epidemic broke out a few short months later. Members of the St. Vincent de Paul Society in Montreal under the leadership of their local president, Mr Kieffer, and stimulated by the example set by Abbé Maurice and their treasurer, Mr Valentine, refused to remain on the sidelines and, at the risk of contracting that terrible and often fatal disease, persisted in carrying on their mission of charity among the poor and the sick. Many of them gave their lives in the service of the stricken, and by their heroism gave testimony to the unselfishly charitable nature of the work carried on by the Society.

It was during this period that the St. Vincent de Paul Society, at the suggestion of Father Maguire, founded a house of refuge for the many social outcasts usually to be found in the immediate vicinity of the waterfront districts of Montreal.

On the eve of the Great Depression, records show that conferences of the St. Vincent de Paul Society had spread from one end of the country to the other and were active, besides the cities mentioned in the main part of our brief, in Pembroke, Sudbury, Hull, Valleyfield, Saint Hyacinthe, Thetford Mines and Chicoutimi. In 1927, with the limited means at its disposal the Society provided direct assistance to 6,214 Canadian families. In 1928, this figure increased to 6,584 and, in 1929, to 6,830.

When the clouds of depression finally settled over the country and governments had to resort to direct relief, the St. Vincent de Paul Society opened second hand clothing stores, organized sewing circles, kept the doors of its houses of refuge wide open to the thousands of unfortunate wanderers, providing some with a good hot bath and treating others to a delousing operation and a clean change of clothing, feeding the hungry, supplying layettes to needy expectant mothers and displaying an amazing versatility in filling as well as it could the many and varied needs of the ever increasing multitude of innocent victims of a faltering economy. In a single year of nation wide economic disaster, the Society provided direct relief to more than 49,500 persons.

Again in 1932, it was in the province of Quebec that the St. Vincent de Paul Society had to face its heaviest task. In his history of the St. Vincent de Paul Society of Canada entitled "La Plus Riche Aumône", Robert Rumilly writes: "In the province of Quebec alone, the number of persons assisted by the St. Vincent de Paul Society reached the astronomic figure of 228,000 and the amount of money distributed totalled close to three million dollars".

"Members of the Society", Rumilly further states, "sacrifice their own holiday periods. Usual methods of operation are drastically altered. Normally members collect and distribute funds within the limits of their respective parishes, retaining a small percentage for the needs of the National Council. But during this period, funds were distributed by City Hall to the various Councils which in turn divided them up among the parish conferences". This statement alone suffices to help the reader get a better idea of the role played by the Society and needs no further comment.

Throughout its existence, the St. Vincent de Paul Society of Canada has had the good fortune of being able to count on an uninterrupted succession of leaders of exceptional calibre. It is impossible not to mention the names of several of those true apostles of charity and many chapters could be written on the remarkable career and sterling qualities of such men as George Muir, Augustin Gauthier, Raphael Bellemare, Bishop Bourget, Father (later Cardinal) Taschereau, Doctor Louis Alphonse Dubord, Bishop Laflèche, Doctor Landry, Paul Ernest Smith, Narcisse Hamel, C. J. Magnan and Thomas Tremblay.

During World War II and the years immediately following, when Canada enjoyed a relative degree of prosperity, the St. Vincent de Paul Society, while continuing its mission in the service of the poor, had nonetheless more time to take stock of its basic objectives and to reassess the role it should play in a constantly changing modern society. It finally opted for a wider field of action. In recent years, in accordance with the teachings of the Second Vatican Council, the Society has given much thought to the problems of the many emerging countries and has adopted a system of twinning some of its own Canadian conferences with those in the underdeveloped areas of the world.

By means of this twinning process the St. Vincent de Paul Society of Canada has been able to contribute directly to the success of several worthwhile projects in Latin America. In Haiti, for example, contributions from Canadian conferences made possible the building of silos for the protection of grain crops in some rat infested areas. In like manner, the work of the Ontario Provincial Council in the Dominican Republic has been outstanding.

Quite recently, the St. Vincent de Paul Society of Canada, following deep reflection on the mission entrusted to it by its founder, Frederic Ozanam, reached the conclusion that the most destitute among the poor people of this land are those unfortunate individuals, who are released from prison after paying their debt to society and who strive without much success to resume a normal existence. Such men are rejected by all members of society none of whom are willing to give them a second chance; their own families and friends consider them no longer worthy of trust and sometimes are actually afraid of them.

Mindful of this, the St. Vincent de Paul Society began to make plans for the establishment of half-way houses designed to help bridge the immense gap between the period of detention and complete re-integration into a normal social environment. In Quebec, thanks to the co-operation of the Provincial government, the Federal Parole Board, the Social Rehabilitation Service Inc. and the Fathers of St. Vincent de Paul, Judge Gerard Lemay, president of the National Council of the Society, ably seconded by his predecesso-I in office, Judge Thomas Tremblay, was successful in establishing the first of these half-way houses. In memory of the man who brought the St. Vincent de Paul Society

to Canada, it was decided that the house of refuge for ex-convicts would be named La Maison Painchaud.

In Toronto, the Central (Archdiocesan) Council had for some time been giving some attention to the problem of the many juvenile transients passing through the city in search of employment. After lengthy discussion, numerous consultations and much hard work, members of the Toronto Central Council reached the decision that something had to be done to help these homeless and often friendless youths, and in 1968, thanks to the timely contribution of a generous patron, they purchased and remodeled a spacious residence and founded St. Vincent's Home. This temporary refuge which can accommodate a maximum of fifteen young men, is first and foremost a place of shelter but over and above the board and lodging which is provided free of charge, an attempt is made to give these displaced adolescents the friendship and guidance which is seldom available in the big city and which some of them perhaps have never known. During a recent visit to Toronto, the national President and several members of the national executive had the privilege of visiting St. Vincent's Home where they met young people from British Columbia, Ontario and Quebec.

Such commendable initiatives may well act as barriers to the swelling tide of human needs which threatens to submerge our modern world.

It is also fitting to mention the work carried on in Halifax by the St. Christopher Home and the excellent co-operation which exists in Ontario between the St. Vincent de Paul Society and the St. Leonard Society in the latter's work on behalf of exprisoners.

We have so far attempted to give a brief description of the human features of the St. Vincent de Paul Society of Canada. What defies description however, but still needs to be emphasized is the spiritual aspect which alone can provide a true image of the Society, a Society whose members, inspired by the example set by that great benefactor of mankind, Frederic Ozanam, in the true Christian spirit of love and charity, constantly strive to adjust their daily activities in line with Christ's command to "Love thy neighbour as thine own self".

The St. Vincent de Paul Society should not be judged solely on the assistance it has been able to provide and the services it has rendered to those we call the poor. In order to grasp its true meaning one must remember that the working members of the Society, because of the special training they receive, because of the unselfish motives which inspire their action and because of the worthwhile experience they acquire, are the ones who benefit the most from their repeated errands of mercy. How often, volunteer workers, on their return from a visit to the homes of the poor, after having discussed their problems and attempted to find the right solution, have admitted that they received more help than they were able to give; that the poor often managed to teach them the meaning of life; how, through strength of character, constant hope and love one learns to carry on under the tremendous stress of want and privation.

An organization of this type, whose members are in constant contact with the underprivileged of all categories, sharing in their sorrows as well as their joys, deeply involved in their daily problems and their efforts at solving them, must surely be in a position to take the pulse of this population with some degree of accuracy. Surely it can, and it must speak up for those who cannot speak for themselves. Surely it is justified in taking up the defence of the poor who are so often defenceless.

Pope Paul VI speaking to the International President of the St. Vincent de Paul Society recently declared: "We are living in the springtime of charity". We take this as meaning that there now stretches ahead of us a limitless field still to be explored, and that what has been done until now is but a prelude to the efforts we must put forth in the years to come.

# THE ST. VINCENT DE PAUL SOCIETY OF CANADA

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# Appendix "B" The Women's Superior Council of Canada

On January 27th, 1933, in the city of Quebec, Miss Alice Dussault organized within the limits of the parish of Sacred Heart of Mary, the first women's conference of the St. Vincent de Paul Society in Canada.

In order to make sure that the women's conferences would not merely act as a fifth wheel to the existing men's organizations, the late Cardinal Rodrigue Villeneuve, then Archbishop of Quebec, before giving his official approval, laid down certain conditions among which were the following:

1-complete autonomy of the women's conferences

2—restriction of the fields of action open to the women's groups to the distribution of shoes, clothing and medicine.

The need to adjust to conditions of modern living has fortunately brought about considerable modification to such restrictive regulations. The closest type of co-operation now exists between the men's and the women's organizations although the latter still retain their full autonomy at the national level.

The national executive of the Women's Superior Council of Canada continually strives to foster in the hearts of the many volunteer workers a feeling of dedication and of spiritual involvement in the human and social aspects of their work among the poor. Charity then becomes not merely the distribution of material goods but a constant effort at helping the poor to help

themselves and to find a lasting solution to the problems and difficulties which brought about their present circumstances.

Through personal contact and fraternal relationship with the poor, through close co-operation with social workers and the various welfare organizations, it is often possible to provide the underprivileged with improved educational facilities and thus contribute to the full development of their physical, social and cultural potential.

The Women's Superior Council of the St. Vincent de Paul Society of Canada groups together 126 conferences with 950 working members and 453 members of sewing circles. They carry on their work of charity in the following dioceses: Quebec, Montreal, Joliette, Mont-Laurier, Ottawa, Hull, Sherbrooke, St-Hyacinthe, Ste-Anne de la Pocatière, Chicoutimi, Saint-Jean and Moncton.

During 1969, Women's conferences of the St. Vincent de Paul Society distributed shoes, clothing and medicine, to the value of \$62,816.45, to 3,926 needy Canadian families comprising 5311 adults and 9771 children.

The countless yisits to sick and disabled persons, both in private homes and in public institutions represent but one of the hundred different ways in which women's conferences, through their working members, direct their untiring efforts at bringing relief to all types of sufferings be they moral, physical or spiritual.

# Appendix "C" The Poverty of Legal Assistance

While society, to ensure the well-being of individual citizens, has found the means of setting up various systems of social welfare, (the latest being Medicare), with rare exceptions (Ontario and British Columbia), it has not yet found a way of making legal help generally accessible. Yet the reputation, the honour, the future, indeed the very life of many Canadians are often at stake in our courts of justice.

Although Bar Associations in our cities and major rural centres have made worthwhile efforts to make up for this deplorable deficiency, and numerous lawyers offer free legal assistance, between the immense need and the few positive steps taken, there is an ever widening gap which must be bridged, or at least narrowed down by means of a well organized system of legal help. All working members of the St. Vincent de Paul Society who have gained the confidence of the poor through their regular weekly visits, can testify to the many social injustices resulting from the lack of competent legal counsel. For reasons already mentioned such a statement applies only partially to Ontario and British Columbia.

The machinery of justice is mainly occupied in dealing with the poor, mostly as defendants, rarely as plaintiffs. Sooner or later, as parents, husbands or wives, buyers or consumers, as tenants or even accused of infractions or crimes they become involved with the law. Poverty is often, if not always, at the root of their troubles. How can they possibly win in a court of justice, when most of them have no knowledge whatever of our legal system and its procedures and are completely ignorant of the law is not considered a valid excuse.

From whom can the deserted wife and mother seek advice when her husband leaves her? To whom can a husband turn if he has a valid defence to offer when unjustly sued by an unfaithful wife? When life together has become truly unbearable, how can a couple terminate their union without the help of an attorney? Where could either find the money to cover the high cost of an action in separation or divorce?

Should not the unwed mother be aware of all the legal implications before she decides to give up her child for adoption? If she decides to keep the child, should she not be aware of the nature and extent of the legal handicaps involved both for the child and for herself? And if, as is her right, she wants to file a paternity suit, is she not greatly in need of competent legal counsel?

The juvenile delinquent, more often than not the product of a home broken up as a result of poverty, also needs legal assistance or he may be marked for life and more or less forced into the life of a hardened criminal.

These, of course, are only a few of the countless reasons why the poor may become involved with the law. An experienced newspaperman to whom we are indebted for some of these very pertinent remarks, lists other causes as follows: (1)

High rents and refusal to rent to families with children certainly help drive the "have-nots" to the slum or semislum districts. Too often, they are obliged to rent at rates out of all proportion to their capacity to pay with disastrous and all too common results: eviction, seizure of furniture or salary, or even loss of employment, often the first step on the road to a prison term.

High pressure, house to house sale of goods that are, more often than not, useless or out of keeping with the real needs of the family, lead to indebtedness and thence, often to a court of justice.

The same may be said of purchases on the instalment plan which are often made under illegal conditions at prices out or proportion to the value of the goods or services obtained. Too many of these deals end up with seizure, loss of money given as down payment, and even legal action, adverse judgement and a court order to pay high legal and other costs.

Another cause of social ills,—especially poverty,—is Easy Credit whose enticing benefits are extolled day in and day out by the mass media. To make matters worse, this continuous harping is aimed at a society that is rapidly sinking into such a state of pleasure-seeking that a growing number of serious thinkers consider there is a real danger of auto-destruction. As a fitting conclusion to this comment on Easy Credit we quote again our newspaper man.

"on the one hand the poor are being exhorted to lift themselves out of their poverty and on the other hand everything possible is being done to keep them the way they are". (1)

For the above reasons, the St. Vincent de Paul Society expresses the wish, —as it has done before the Prevost Commission of Inquiry into the administration of criminal and penal justice in Quebec, —that all levels of government directly concerned, will give priority to the solving of this problem of lack of legal assistance in a realistic way and will set up an effective system of free legal counselling in the more urgent civil, criminal and penal matters.

"There will not be equal justice for all as long as the means to obtain it are not available to all". Such was the conclusion recently reached by an editorial writer of the Montreal Gazette after quoting Mr. Maxwell Cohen, former Dean of Law of McGill University, as follows:

"Too often the poor see the law not as a friend, but as an enemy; not as an aid, but as an adversary; not as a remedy, but as an obstacle".

(1) Le Pauvre devant la loi-Paul Lachance, Le Soleil, May 1958.

# Appendix "D" Poor Among the Poor — The Ex-Convict

The two basic needs of every ex-convict on leaving prison:

a place to live

a place to work (1

First, a preliminary remark. The text that follows is not an attempt at writing a learned treatise but merely the simple ideas of humble individuals who believe in the Vincentian mission. We have honestly tried to put ourselves in the place of the ex-convict in order to better understand his attitude towards society and possibly to arrive at a more realistic assessment of society's responsibilities to him.

We would thus like to consider briefly:

- a) what kind of people become delinquents
- b) what caused them to become delinquents
- c) what they need most upon their release from prison.

Following such considerations, we intend to give a short account of an organization founded fairly recently to help exconvicts readjust to an ordinary honest life.

a) What kind of people become delinquents?

The answer to this first question, as well as to the others, is given us by a distinguished member of the Bar, now retired, with a long standing reputation as a humanitarian and philanthropist who, for twenty-five years served as National President of the St. Vincent de Paul Society of Canada, Judge Thomas Tremblay.

"In my twenty-eight years experience as a judge" he states, "I have listened to the life history of countless prisoners. Underneath their outward diversity, nearly all of them have a common background, a life of poverty, in which education and affection were entirely lacking, and in surroundings that made the practice of honesty utterly impossible". (2)

b) What caused them to become delinquents?

The same authority answers our question as to who or what is responsible for conditions that make delinquency almost inevitable.

"By our actions", he says, "or our lack of action, we are all responsible. Some parents have simply renounced all authority and have reneged their responsibility on the easy pretext that children should not be thwarted. To this we must add the many other obstacles to domestic and educational stability, for instance, pornographic publications, films and songs whose circulation far from being limited is now encouraged by public authorities".

"Social injustice must also be recognized as a major cause of delinquency. Any student of sociology will accept as a fact that delinquency increases in direct proportion to poverty. Prisoners are often the victims of social conditions and circumstances over which they had no control and consequently it is everyone's urgent duty to do what he can to remedy the situation. One way of doing this is to extend a helping hand to those who have just obtained their freedom after serving a prison sentence". (2)

The Lord knows how much the ex-convict needs such a helping hand.

c) What they need most upon their release from prison.

While it is fairly easy to enlist public sympathy for a man while he is in prison, the situation is abruptly reversed as soon as he is let out after serving his time or being paroled. The general impression seems to be that such men are dangerous characters, anxious to revert, at the first opportunity, to their former ways. They are shunned, little attempt is made to contact them, much less to offer help. They are treated as pariahs, sometimes in much the same way as lepers used to be in former times.

And yet, as Judge Thomas Tremblay points our, a large number of those leaving our penal institutions have made excellent resolutions during their period of detention. All they ask is that society will help them to keep these resolutions. Leaving aside those few who have their minds set on resuming the activities that led them to prison in the first place, and whose period of captivity has been spent in planning new crimes, let us try and walk in the shoes of those who, having broken the law, have reflected on their misdeeds and return to society firmly resolved to follow the straight and narrow path.

As they go through the prison doors for what they hope will be the last time, what are the thoughts and feelings predominant in their minds and hearts? First and foremost, there is a feeling of extreme happiness at being free at last. But this happiness is not without a certain degree of fear and apprehension. The newly freed man realizes that he is morally and physically weakened. Even though he may have been properly fed and have lived under reasonably good conditions of health and hygiene, life in prison has not afforded him the means of maintaining his normal strength and stamina. Lack of strenuous work and proper exercise have lowered his physical resistance. For months, maybe years, he has not known what it feels like to be free, he has had no opportunity to practice self-discipline. He feels that nobody will trust him and what is even worse, he does not even trust himself, having lost all his self-confidence.

Thus handicapped both physically and psychologically, the ex-convict is bound to meet serious difficulties in his attempt to regain a place in society. The fact that he is practically or totally penniless is no help to him in overcoming these difficulties. The only reference he can give to a prospective employer is the criminal record he has just made official.

Until quite recently, released prisoners could never be free from the serious consequences of this police record which would follow them throughout their existence. It would even have survived them and remained in the official records as a blot on their memory. Most fortunately, this situation has been changed. The federal authorities are definitely to be congratulated on their humane gesture in diminishing the truly vexatious effects of the criminal record as well as on other decisions designed to help those who may have stumbled but are anxious to get back on their feet.

(3)

The ex-convict has to overcome many more handicaps, not the least of which is the impossibility to put up the bond which many firms require of prospective employees.

But for the moment, we will consider the kind of home life he may expect to find upon his release. If he is married and, as so often happens, his wife has deserted him during his detention, he has no place to go. He may find temporary shelter with his relatives or with those of his friends who have not already crossed his name from the list of their acquaintances, but for how long? For the unmarried ex-convict the situation is hardly less painful. In most cases he is looked upon as the black sheep who has brought dishonour to the family, and is no longer welcome. If, on the other hand, his is the type of home which leads normally to a life of dishonesty and crime, he is better off not to go back to it, that is, not if his intention to reform is well founded and if he needs support and encouragement in his efforts to make good.

Such then is the plight of the ex-convict at the time of his release. He has high hopes and is filled with good intentions. He is glad to be free and he feels that he has paid his debt to society. He is well aware of his weaknesses and the difficulties that lie ahead. In short, he faces exceptional difficulties with limited possibilities and an almost complete lack of self-confidence. If he is fortunate enough to be able to count on a family that is willing to help no doubt he will fairly soon get back on his feet. Such cases however are all too few. We are particularly concerned about the others, the overwhelming majority, who on their discharge from prison have no alternative but to walk the streets.

For these many others, the very first need is for a place to stay. There are, no doubt many institutions willing to help, such as the Salvation Army, the John Howard Society and others. What they offer, however, does not even begin to answer the special needs of the ex-convict upon his release from prison. There should be a number of specialized half-way houses, where he will be warmly welcomed and where he will receive the attention and respect he has not known for so long. Here also, he should be able to consult specially trained social workers ready to give all the help he needs to adjust gradually to a normal life in society. This may sound like so much wishful thinking, so many pipe dreams that can never come true. Such centers, nevertheless, really do exist.

Some of these half-way houses have been in operation for several decades in certain American cities. They also exist in Canada. In 1962, the Reverend T. N. Libby founded in Windsor, Ontario, the first institution of this kind in Canada.

Like it or not, each of us is indeed his brother's keeper—and this includes one's ex-convict brother. They have clearly understood and accepted this precept, those who have voluntarily undertaken the arduous and harrowing task of establishing and maintaining such rehabilitation centers for those who have erred but show definite signs of a sincere resolve to start a new life. They have also realized that when an ex-prisoner returns to a life of crime it is always at someone's expense and that our own protection as well as the interests of the ex-convict himself therefore requires that we offer him all the help we can.

#### La Maison Painchaud-A Pilot Project

It was to fill the first of the two essential needs of the newly liberated prisoner that La Maison Painchaud was founded in Quebec City on December 8th, 1967. Its purpose is to provide a

temporary home for those who have none to return to, or whose home environment is such that they are better off away from it. It is managed by a corporation named "La Maison Painchaud Inc." after the man who introduced the St. Vincent de Paul Society in Canada.

The project itself was conceived and carried out by the Quebec Archdiocesan Council of the St. Vincent de Paul Society, which supplied the necessary funds to remodel an old building leased from the Quebec Catholic School Board and situated at 1, Simard St. in Quebec City. The official opening took place in March 1967.

The founding and successful operation of La Maison Painchaud was made possible only through the continued co-operation of the many welfare organizations and government services, whose representatives, along with several social-minded individuals, provided without charge their services and counsel from the very beginning. It is also fitting to acknowledge here the strong support received in the promotion and implementation of this project from the information media of the city of Quebec.

La Maison Painchaud has been officially recognized as a public welfare institution by an Order in Council of the Quebec Provincial Government and, since 1968, has been receiving reimbursement of operating expenses on a regular "per diem" cost basis. It is under the direct supervision of the members of the Order of St. Vincent de Paul, represented by Brother Etienne Després as executive director and Father Raoul Cyr as moral adviser.

The screening of prisoners entitled to benefit from its facilities is entrusted to the Social Rehabilitation Service Inc., which employs professional social workers. These same specialists continue to work in close co-operation with the executive director and his staff towards the full rehabilitation of all those who come to La Maison Painchaud.

The Social Rehabilitation Service Inc., was founded in 1946 by a group of citizens of Quebec and is subsidized under the Federal-Provincial Program for Mental Health Services. It has helped countless juvenile and adult delinquents of both sexes.

In addition to providing ex-convicts with direct help in securing regular employment, La Maison Painchaud (on the initiative of Father Raoul Cyr its moral adviser), has organized its own protected workshop now known as "Les Etablissements du Gentilhomme". Only former convicts are employed in this establishment and the managing director himself has been an inmate of our local houses of detention. "Les Etablissements du Gentilhomme" is now registered as a separate corporation and although limited at first to upholstery work, has recently set up a cabinet maker's workshop and other departments are expected to develop in the near future.

La Maison Painchaud is a member of the Saint Leonard Society of Canada, which has its headquarters in Windsor, Ontario, and operates half-way houses across Canada. These are:

Saint Leobard's, Windsor, Ontario
Dysmas House, Kingston, Ontario
Saint Leonard Society, Brant, Ontario
Saint Leonard's, Sudbury, Ontario
Saint Leonard's, Toronto, Ontario
Saint Leonard's Society, Dartmouth, Nova Scotia
La Maison Painchaud, Quebec City, Quebec
Saint Leonard's Society, Vancouver, British Columbia

At least eight more are currently being set up, one of which, at Bramalea, Ontario, is sponsored by the St. Vincent de Paul Society

La Maison Painchaud has already given shelter to 125 "borders" very few of whom have returned to prison. The vast majority have in fact resumed a normal existence.

As we conclude these simple notes, we feel that it is our duty to express once again to the Reverend T. N. Libby, founder of Saint Leonard's House and of the Society of the same name, the deepest gratitude of the executive and members of La Maison Painchaud. His help and advice have been invaluable from the outset and continue to be most generously given and immensely appreciated.

#### NOTES

 Jack Dalton, LLB, founder and general-manager of: Pioneer Fellowship House, Gearing House, Ronald Hall and Pioneer Industries Inc. of California, who claims to be an alcoholic,

- an ex-convict and a disbarred member of the legal profession.
- (2) Judge Thomas Tremblay, national president of the St. Vincent de Paul Society of Canada. Opening speech at a public meeting organized jointly by the Quebec Diocesan Council of the St. Vincent de Paul Society, the Social Rehabilitation Service Inc., local representatives of the Federal Parole Board, Conseil des Oeuvres et du Bien-Etre du Quebec (COBEQ), on the theme "Our responsibility to the ex-convict". March 1967.
- (3) Honourable Ernest Coté, Assistant Solicitor General "New Guidelines for Courts of Summary Jurisdiction". Paper read before the John Howard Society, June 30th, 1970. Speech to the graduating class of the Criminology Center of the University of Ottawa, April 30th, 1970.
- (4) We are especially grateful to Paul Lachance, editorial writer with the Quebec "Le Soleil" who for several weeks devoted his many talents to this cause, as well as to Odilon Arteau, former editorialist at "L'Action".

# Appendix "E"

# Comments of The Montreal Central Council of the St. Vincent de Paul Society of Canada

#### I-Genaral Remarks

In the year 1970, when men have walked on the moon, the conditions of poverty and destitution which exist in Canada are absurd and unacceptable. Unfortunately they are only too well documented.

Poverty is relative. However, when individuals or families cannot obtain the bare necessities of life, poverty becomes a stark reality. Poverty means being ill and unable to pay for medical care; it means a child who cannot follow classes because he is undernourished; it means a man hunting for work to feed his family; poverty means being unable to find proper food, clothing and lodging for one's dependents; it means a successful student having to break off a course of studies for want of money.

#### II-Sources of Information

The Montreal Central Council of the St. Vincent de Paul Society has based these comments on four different sources of information:

- a) A searching inquiry into the plight of 137 families currently being assisted by parish conferences.
- b) A study of 430 individual cases taking into account their most urgent needs when they first contacted the parish conferences.
- c) The combined observations of:
  - one of our group leaders and member of the executive of the executive of our Council.
  - a woman president of a conference who is at present deeply involved in the work of the Society in an underprivileged district of the city.
  - one of our permanent officers, also a professional social worker.

All the above mentioned observations are closely connected with visits to the families of the poor and with daily work carried on in the latter's own environment.

d) Consultation of public reports of sociological studies in the public as well as in the private sectors.

#### III-Statistics

It will be noted that in this brief statistical review of the results of our inquiry into the situation of 137 families, percentages indicated, add up to a total of 179.9%. This is due to the fact that in certain cases two or more factors are included.

The outstanding factor is the illness or physical disability of either the father or the mother. In practically every case, we find a complex social situation in which physical debility is combined with one or more other factors. There is also a correlation in all of the 137 cases studied, between the immediate or major causes and the remote or secondary causes. Thus, family and matrimonial problems constitute 13.8% of the immediate causes and

23.3% of the remote causes. Insufficient allowances or assistance while awaiting official welfare payments constitute 51% of the immediate causes and 54% of the secondary reasons. Low salaries are the immediate cause in 4.8% of cases and the remote cause in 8.7%.

The personal plight of those who filled out the questionnaire in most cases had its origin in the underdeveloped areas of our city, where fortunately, social motivation and the formation of citizen's groups have been particularly active in recent years.

#### IV-Statistical Analysis

In all cases, poverty appears to us to be not only material but also the result of a set of moral and psychological factors leading to vicious circles which must be broken. These factors may be summarized as follows:

- a) Lack of money
- b) Lack of stable matrimonial conditions
- c) Lack of personal and civic qualities
- d) Lack of motivation
- e) Lack of schooling or vocational training

All these factors are so interdependent that, if action is taken against one in particular, on an exclusive basis, no noticeable progress is achieved in the overall situation.

The principal causes of poverty, in order of frequency, were:

1. Physical debility of the parents

47.7%

This debility results from a number of factors, viz.,

- a) unsatisfactory living conditions during childhood;
- b) malnutrition;
- c) lack of regular medical care;
- d) poor housing conditions.
- 2. Insufficient schooling or preparation for the labour market

42.5%

This is generally due to the following factors:

- a) difficulty of access to school and training facilities;
- a traditional belief that a child should leave school as soon as he is old enough to go to work, at sea, in the woods, on the farm, in factories or even at the corner grocery or hardware store;
- c) lack of money.

As a result of all these factors, a large proportion of heads of families and young men under twenty-five years of age, become dependent on social welfare benefits, because they are never able to qualify for permanent or well-paying jobs. Deeper and more complex reasons are linked with traditional beliefs and attitudes and arise from the lack of material resources in the family which often considers itself under obligation to send a child prematurely into the labour market in order to obtain an immediate increase in its level of income.

Moreover, since conditions in underprivileged areas are not conducive to intellectual development, a child is inclined to look down on the so called benefits of higher education. He becomes a repeater or, having been insufficiently prepared for school, is backward before he even starts. Owing to cramped living quarters. study conditions are deplorable. Want of vocational guidance results in a lack of motivation, because the child, a born imitator, cannot copy what he has never known.

### 3. Matrimonial problems

23.3%

The percentage indicated increases by five or ten points if widowhood is included.

Matrimonial difficulties arise from many causes. Almost all factors which contribute to the creation of a situation of poverty. and particularly, laziness or apathy of the breadwinner, illness or physical disability, alcoholism and lack of money, have a direct bearing on the frequency and seriousness of marital problems.

Initially, marriages are no more prone to failure among the under privileged than they are in any other class of people. However, since the underprivileged are less concerned about the maintenance or loss of social status or reputation they tend to develop a greater freedom of action and often react more violently as a result of minor differences.

### Indifference of family and social environment

Published results of social inquiries (such as the Boucher report) have revealed the existence of entire clans of welfare dependents within one family stock; for such people, living off social welfare allowances is the normal thing to do. This is the "beggar" mentality denounced in the Boucher report.

As for social environment, more particularly in the metropolitan "grey zones" and certain notoriously backward rural areas, we are faced with groups of families whose existence is marginal in relation to the prevailing economic activity and to all other local motivating values. Less than 3% of the families interviewed are satisfied with their present condition. In other words, over 97% of these families consider their situation abnormal and hope to improve it.

The families themselves are fairly hesitant when it comes to suggesting ways and means of improving their situation, 21% said they would like to find permanent employment; 2% would wish for a more stable matrimonial situation or a happier married life; 18% ask for an increase in welfare benefits; 2% would settle for an increase in income; 1% suggest various other means, such as medical care, work for the children and the mother, professional advice from trained social workers, etc.

#### 5. Alcoholism

Here we have a complicated situation where, very often, people drink to forget their problems and thus create a further series of problems as a result of their drinking. Specialized clinics and preventive therepy are the only ways to help those who are at grips with this problem.

#### 6. Indolence or laziness of the father

Among those who are lazy by nature, a certain number are psychologically unmotivated for their work. Others have lost all incentive to work by reason of derisively low wages, frequent layoffs, job insecurity and often shameful exploitation by unscrupulous employers. These men eventually and naturally come to prefer the greater security of a regular social welfare cheque.

#### 7. Migration to an urban area

These cases are among the most pathetic. Generally speaking they refer to individuals or families who migrate to the larger urban centers in the hope of starting a new life. Unfortunately their hopes are soon dashed and in effect they become doubly handicapped. Through lack of education and training or want of a trade, they are unfitted for the existing conditions of the labor market. Being totally unaware of some of the facets of urban living they usually are an easy prey to loan sharks, highpressure salesmen or others of that ilk.

20-10-70

### 8. Possession of a police record (See Appendix "D")

#### V-Suggested Solutions

1. Illness or physical disability and lack of formal education or preparation for the labor market.

Solutions in this case must be considered under two separate headings: preventive and remedial.

#### a) Preventive

Referring to the factors enumerated in our analysis of the causes of poverty, specific remedies must be devised in each case; physical conditions must be provided that will result in the interested and productive attendance of children in schools; facilities must be made available for the discovery, diagnosis and treatment of medical disorders; special areas must be set up to control the sources of food and ensure that it is available in sufficient quantity as well as in quality; housing conditions must be improved, parks and open spaces made available, provision and encouragement of competitive sports, special training and adequate pay for teachers and some means of discovering and controlling disease and addiction to drugs must likewise be provided.

The creation of special areas will imply:

- -schools with extracurricular services adapted to the specific needs of each area;
- -special medical services (clinics, hospitals, etc.);
- -information centers;
- -cultural and recreational centers;
- —integration of essential community services;
- -dynamic action on the regional economy conducive to increased employment;
- -professional service centers (lawyers, budget consultants, social workers, psychologists, etc);
- —religious institutions with appropriate pastoral activities.

#### b) Remedial

The solution to problems of environment is effective only insofar as it is integrated into a co-ordinated plan of social redress, and to the extent that the people concerned are induced to participate actively in the search for, and application of said solution.

We seriously question the somewhat inconclusive though costly results of certain projects initiated by the Federal government for the re-education and especially the retraining of unemployed workers. It seems to us that insufficient consideration is given to the natural inclinations of the individual, and hence to his normal chances of success in a given trade or occupation.

#### 2. Matrimonial problems

We would rather leave discussion of this subject to the spiritual advisers of the Superior Council of the Society. We wish to point out, however, that these problems are very often the result of an unfavourable conjunction of the many factors which are dealt with in this Brief.

#### 3. Indifference of the social environment

The problems created by the lack of concern or indifference of the social environment cannot be considered independently of the total social problem. Several aspects should be tackled and the struggle waged on several fronts simultaneously. Perfect coordination between government and private efforts is essential from the start. We must not, however delude ourselves as to the amount of time it will take to change the collective attitude of the population of a given area.

#### 4. Alcoholism

Among the professional services made available in a given area, there should be, either as a separate department of a medical clinic or as an autonomous medical unit, a centre for the detection and treatment of alcoholism, working in close co-operation with existing organizations such as Alcoholics Anonymous, the Lacordaire Association, SMASS, OPTAT and others.

#### 5. Indolence and laziness of the father

Increased efforts should be made in the private sector, among other things persistent attempts on the parts of trade unions to extend the benefits of collective bargaining to the thousands of non-organized workers at the mercy of unscrupulous employers. Private companies should be more conscientious in their observance of the Minimum Wage Act, and more attention should be given to the general welfare of the workers. At the various levels of government several measures could be implemented, viz.,

- payment of supplementary income to workers in designated zones and to those whose income is subject to extreme seasonal variations due to climatic conditions;
- —accelerated implementation of the Designated Zones program so as to stimulate the economy and wipe out unemployment.

#### 6. Recent migration to an urban center

Regional manpower personnel and welfare agencies should provide adequate information for persons who wish to migrate, or have recently migrated to the larger urban communities. This problem is intimately related to the current stagnation in the fields of agriculture, forestry and fisheries, in other words to the backward economy of some of our underdeveloped rural areas.

#### VI-Conclusion

The majority of those questioned during May and June 1970, seem to recognize a relationship of cause and effect between the current recession, (unemployment, credit restructions), and their present difficulties.

It is obvious that while poverty appears to be the permanent lot of a considerable number of families and individuals, it may undergo extensive fluctuation in time as well as in space. Many families may live on the threshold of poverty during a period of relative prosperity and then find themselves in the midst of inextricable difficulties when there is a slackening of the economy. Numerous studies also have shown that in a single country there are urban and rural zones of low economic activity and rate of growth. In such cases, one may speak of economic disparity. It is evident that for many reasons, poverty and pauperism are more likely to develop and spread in these underdeveloped areas.

Many sociologists, intellectuals and philosophers agree unanimously that our young people are right in contesting a contemporary society in which the dollar sign has a practical and symbolic value greater than that of the cross or the dove of peace. The era we live in is characterized by the frantic race for the pseudoefficiency which enables the giant enterprises to accumulate ever greater profits. Not only is automation pushing man aside, but the merciless war being waged between enterprises without any consideration for the laws of economics, is killing off the small tradesman, eliminating the craftsman, and helping year after year to lay off honest and competent workers with many years of experience and devoted service.

There is one popular saying which has become so commonplace that we no longer pay it any heed, namely that the gap between the rich and the poor is constantly widening. For proof of this we have only to examine the assets of our multi-million dollar corporations and the holdings of their directors and principal share-holders, and on the other hand, the growing proportion of our population whose annual income is far below what economists and sociologists call the edge of poverty or the minimum living wage. Without too much risk of error, one may well say that our present day society is very sick. Who will find out if there is a cure?

## QUESTIONNAIRE

Family: (respect anonymity)											
City, Town, County				.Province							
Conference		Pa	Particular Council:								
$ \begin{array}{ccc} \text{Composition of family:} & & \\ \text{Father} & \text{Yes} & \text{No} \\ & \Box & & \Box \\ \end{array} $				a person living along							
Mother											
Number of dependent children											
OUESTIONNAIRE PROPER											
	•										
1—Immediate reason for the fam:	e of Alcohol:										
Unemployment											
Sickness			ŀ	by Father							
Insufficiency of Welfare		ŀ	by Mother								
Delay in obtaining Welfare											
Others (specify)											
2—Where the problem is not a reason(s) for the permanent co					ndamental						
a) Matrimonial problems			h)	Apathy (indifference)							
b) Alcoholism	Father			due to environment							
	Mother		i)	Police Record							
c) Physical debility	Father Mother		j)	Unfavorable economic conditions							
d) Insufficient schooling				Other (specify)							
e) Indolence (particularly of Father)											
f) Unprepared for Labor M											
g) Recent settlement in cit-											
G/	, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,										

NOTE: You may check more than one square, if in your opinion there are several fundamental reasons.

—Doe	es the family (or individual)				
a	) Accept his situation	yes	no		
	Explain				
h	) Consider his/her situation	normal	yes	no	
D	) Consider may not streament	100111000	yes	110	
С	) If the answer to b) is NO: To what main factors does	he/she attribu	te this unsatisfa	etory situation	
	What solution does he/she	suggest to corr	rect the situation	?	
l—Doe	es this family consider that it	t is giving the	children what the	y need?	
7	Yes No	If not, wha	t are they lacking	ıg ?	
5—Sur	n up, in less than 50 words, ye	our opinion of	this case		
	<del></del>				

# Brief to the Special Senate Committee on Poverty from The Town Planning Institute of Canada, June 1970

- 1. Objective—The purpose of this brief is two-fold: Firstly, it is to affirm the concern of TPIC with the issue of poverty in Canada as one of the foremost problems facing our society. Secondly, it is a purpose of this brief to reaffirm the importance of considering together the economic, social and physical aspects of poverty; and to stimulate interest in seeking integrated rather than compartmentalized approaches in economic, social and physical planning for the alleviation and ultimate erradication of poverty.
- 2. Urban Poverty—is the particular concern of this brief. In November 1968 the TPIC presented a statement to the Task Force on Housing and Urban Development in which were discussed broad issued concerning the rapid urbanization trends in Canada. (Please refer to Appendix A of this brief for the text for the statement). Clearly, a major challenge in combatting poverty during the next decade will be in so planning our growing urban centers that they may meet more adequately the needs of disadvantaged groups of people. Hopefully, the forthcoming Urban Policy for Canada will include within its terms of reference scope for the implementing of anti-poverty programs.
- 3. Definition of Poverty—Poverty is the economic inability to achieve or maintain minimum standards of housing, nourishment, education, and medical care; and the lack of access to other goods and services commonly available to the community or the society at large. Poverty is a condition of relative deprivation whose definition in absolute terms varies with plate (whether urban or rural, or affected by special regional resources or problems); and with time (for example people with fixed incomes are more vulnerable to poverty in times of inflation).
- 4. Categories of the Poor—People who suffer from poverty constitute a highly heterogeneous part of our society representing various ethnic, age and occupational groups. Two major categories of poverty seem useful from a planning standpoint. The first is the near-poor who manage to retain financial independence but whose standard of living falls below that of the general community. The second category consists of people who are chronically impoverished and constitute the hardcore of poverty including long-term dependence on public assistance, and residing in the lowest standard of housing.
- 5. The category of the near-poor—may include, among others, skilled workers who have become technologically displaced and for whom new employment opportunities are inadequate to meet earlier earning and living standards; the poorly educated and inadequately trained who work for small salaries and are highly vulnerable to unemployment; some members of racial minority groups who are subject to job discrimination and lower pay; women with families to support, who are also subject to job discrimination and lower pay; and unemployed employables for whom neither adequate employment opportunities nor adequate unemployment compensation exist.
- 6. The category of the hard-core of poverty—includes people with very limited or no longer existent private resources, who are for various reasons unemployed for long periods of time. They include those who are not yet employable (dependent children and the deserted or widowed mothers of very young children); people

- who are no longer employable (the aged, and the chronically and severely ill); and the partially unemployable—people with severe physical and/or mental handicaps who need special conditions of work (e.g. sheltered work shops for the blind, crippled, and the severely emotionally disturbed).
- 7. Implications for planning for the near-poor-Because of their marginal position on the labour market, the near-poor are highly vulnerable during periods of high unemployment. They are the most likely to lose or to fail to obtain jobs and the least able financially to independently endure a period of unemployment. Their limited earnings also tend to make them vulnerable in times of personal crises. During times of illness, bereavement or special financial strain, the distinction between being near-poor and impoverished is very easily obliterated. In considering the needs and potentials of people in this category, stress should be placed on preventive measures which could make it possible for them to move towards greater security and assured independence, rather than to be perpetually threatened by slipping over the brink into impoverishment and dependence. A two-fold approach is suggested; to increase employment opportunities on one hand, and to provide programs of upgrading marketable skills, and of teaching new ones.
- 8. Increase in employment opportunities—a co-ordinated effort should be made to create more employment opportunities for the marginal labor supply. From a physical planning standpoint, much could be done to encourage labor-intensive industry into areas near population concentrations of the near-poor. The poorer the socio-economic group is, the more important it becomes to locate places of work near or easily accessible by public transportation to place of residence. Conversely it may also be feasible to locate lower-cost housing integrated among the more affluent suburbs, near industry. Onus should be placed on, and perhaps incentives given to industry to maintain a wholesome living environment within the framework of an overall regional or community plan for the area. Perhaps special subsidies or other incentives could be offered to industries which are willing to take into account the community's needs for jobs with adequate wages and for an unpolluted residential environment.
- 9. Programs for upgrading or increasing skills—are a necessary concommittment to measures which seek to provide more employment. These should move beyond technical training only to encourage and help people of less advantaged socio-economic backgrounds to acquire some of the social and intellectual skills which could prepare them to compete more adequately on the labour market. Educational programs of this broader type would perhaps be particularly valuable to younger people, and to women who, as mothers, could become better prepared to influence their families. Programs of the Better-start or Headstart type, which seek to prepare the pre-school aged children of disadvantaged people to cope more adequately with elementary school appear very promising. Two extra advantages of these programs are their attempts to involve the parents of the children, thereby providing them with new learning possibilities and, in some instances, with jobs.

- 10. Implications for planning for the hard-core of poverty—In considering measures to aid people within this category, remedial as well as preventative approaches seem necessary. Where dependence on public assistance is necessary, there is a major problem of maintaining even the barest minimum of living standards on fixed and inadequate incomes. Housing is another major, perennial problem. Although many people in this category are unemployable (the very young, the aged, the severly disabled or chronically ill) many others are capable of certain types of work and eager for it, but need special assistance in job training or job location. A major challenge, applicable to both categories of poverty, lies in breaking the cycle of poverty by extending special help and facilities to the young which will enable them to complete more successfully in the mainstream of our society, as they mature. Four major approaches appear indicated:
- 11. Adjustment of fixed incomes—to meet more realistically existing costs of living. In addition to specific economic measures this may entail the long term complex task of re-educating public attitudes to view poverty as a by-product of certain aspects of a modern industrial society (urbanization, rapidly changing technology and unemployment) which are often beyond the control of people affected by it, and not due to some individual fault or inherent moral weakness. Deep-rooted negative attitudes of the public towards social welfare are reflected in welfare policy and legislation, with a resulting general tendency to provide minimum rather than adequate levels of financial aid to those who cannot support themselves. The underlying rationale appears to be a concern that more adequate aid would sap morale and lower the incentive to selfsufficiency. Such reasoning, reminiscent of the Poor Laws, does not take into account the impossibility of employment for certain people, and the lack of employment opportunities for others. Nor is it sufficiently widely recognized that life at a bare subsistence level is depressing rather than stimulating to incentive. A major factor in the prevalence of negative attitudes towards the poor, is the fact that some people simply do not understand the nature and magnitude of poverty and the socioeconomic conditions associated with it. A vital public information program concerning poverty would be helpful. Efforts to involve people of various ages and walks of life in certain aspects of antipoverty programs could lead to a better acquaintence with the poor as fellow-citizens rather than merely as statistics or abstract problems.
- 12. Provision of adequate low-cost housing—near sources of jobs and transportation routes and the improvement and safe-guarding of existing low-cost housing is of prime importance in combatting poverty. The adverse effects of substandard housing on the physical and psychological health and on the morale of its inhabitants have already been studied and described by social scientists and by members of the helping professions. Poor housing may contribute to physical illness and to emotional stress. It affects a person's perception and evaluation of himself and of the contribution he can make to society. Inadequate housing can seriously affect the ability of children and youths to study successfully and to relate with confidence and with self-respect to more advantaged peers.
- 13. Urban Renewal—policy should be concerned not only with the redevelopment of blighted areas, but equally with the consequences of these physical improvements for the people residing within such a community. Improvement of physical aspects of slum areas should not be made at the expense of destroying low

- cost housing and job opportunities upon which people have depended, unless they can be satisfactorily replaced. It is most important in this area for the physical and social planners to establish common objectives and to make co-ordinated efforts in order to assure that the removal of one slum does not merely result in pushing underprivileged people into creating another slum area elsewhere. It is very difficult but nonetheless crucially important to plan with people and not only for them. Though the process may be cumbersome and at times discouraging, efforts should be made to prepare plans and programs which would utilize a neighbourhood's own assessment of its basic requirements and problems. This may involve compromises distasteful from the standpoint of ideal standards of utility and design. However, it should be borne in mind that the basic needs of people (for economic security, and for a sense of self-dependence and vital involvement in society) must be met, before they can appreciate and make best use of good physical design and the cultural amenities generally appreciated by more advantaged members of society. (Appendix B of this brief offers an example of planning for Indian Reserves in an urban setting in which efforts were made to work closely with the Indian people and to incorporate some of their own ideas).
- 14. Employment opportunities for the limitedly employable-could be extended through co-ordinated efforts of manpower programs and land use planning. Sheltered workshops for physically or emotionally handicapped persons can have an intrinsic value for these people as well as an economic one for society (an example of a proposed sheltered workshop and recreation complex proposed for the Victoria Region, B.C. is described in Appendix C. Noteworthy is the co-ordination of effort by government representatives private welfare organizations and physical and social planners.) The location of day-care centers could, with adequate planning, serve three purposes. Single mothers of young children would be enabled to seek employment. The operation of such centers could provide employment for a number of individuals. A day care center setting is well suited for a Head Start type of pre-school education program which has great value in preparing less-advantaged children for elementary school and for generally integrating them into the mainstream of the community.
- 15. Adequate public services and facilities for low income residential areas should be a major planning goal. Not only should there be attempts to equalize the quantity and quality of such services with those available in more advantaged urban areas but where possible even superior services should be planned in an effort to compensate for some of the deprivation of low-income living. Preventive physical and emotional health services should be stressed in view of the well-known correlation between poverty and physical and emotional illness. Excellence of school and park facilities coupled with special educational and recreational programs could be useful in helping children and young people to break out of the vicious cycle of poverty.
- 16. Assessment and co-ordination of existing anti-poverty and other Federal-Provincial assistance programs—is recommended in order to avoid duplication of effort, and to increase their effectiveness. Before further programs are developed it would seem desirable to analyze the objectives of each program and the means of fulfilling these objectives. Possible relationship between the various programs should also be studied in order to gain better co-ordination among them.

Poverty

- Appendix A: Statement to the Task Force on Housing and Urban Development from Town Planning Institute of Canada.
- Appendix B: Pauquachin Indian Community Planning Study, 1968.
- Appendix C: Activity Center Complex. Victoria Region British Columbia.

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# Brief Submitted to the Special Senate Committee on Poverty by Manitoba Association\* Town Planning Institute of Canada April 1970

#### 1. Objective

The objective of the brief is to analyze the relationship between urban poverty, the main concern of the Special Senate Committee, and urban physical system with which the planning profession has been traditionally concerned. This analysis hopes to shed some light both on the development of urban policies, leading to the reduction of urban poverty and the improvement of the quality of urban life; and also on possible contributions which the planning profession is able to make to the accomplishment of this aim.

#### 2. Poverty defined

Poverty is a state of relative deprivation of opportunities for self-realization. Given a specific community at a specific time, it is possible to define poverty in absolute terms based on a general notion of subsistence held at large by the community. Such is the definition of poverty put forward by the Economic Council of Canada. Although the use of an absolute dollar value as a cutting-off line gives a convenient instrument for policy guidance, it should be remembered that money is relevant only insofar as it determines access to opportunities which make humanly significant activities possible. Low income should be considered as a symptom rather than a cause of poverty.

#### 3. Multiple dimensions of poverty

The relative deprivation of opportunities can be measured in many dimensions. The first and most obvious is the economic dimension. To the extent that the opportunities must be purchased in the market place, poverty can be measured by the amount of one's disposable income and assets. The inequality of access to such basic services as legal aid, health care, job training and, most important of all, education, adds yet another dimension. The voice of the poor has seldom reached the political arena with influence.

The opportunity for political participation is another vital dimension as the distribution of well-being in our society is increasingly affected by political decisions. The last dimension deals with less materialistic elements such as social status and one's self-image. The perpetuation of this self-image breeds the culture of poverty. The four dimensions mentioned here are economic, political, socio-psychological and that of the access to basic urban services.

#### 4. Urbanization trends

It is estimated that more than 80 per cent of Canadians will live in urban centres of 1,000 and more within the next five year period. This suggests that the poverty problem in the immediate future in Canada will be predominantly "urban" in character.

Even in a poor region, to majority of the poor would be living in urban centers within that region. How successful we are in our efforts to reduce poverty in Canada in 1970's therefore largely hinges on our understanding of what may be termed "the urban opportunity structure".

#### 5. Urban opportunity structure

The existence of poverty is a failure of one of the essential functions of urban centers. Based on this perspective, the objective of the fight on deprivation should be to mold the structural conditions of the city so that all the individuals living in it are provided with equal opportunities for self-development. This leads to strategies for changing institutions rather than individuals. It is fair to say that the traditional welfare approach to the problem of poverty is based on strategies for changing individuals through the delivery of special services. These two strategies should be complementary to each other in a manner somewhat analogous to the relation between preventive and curative medicine.

#### 6. Physical environment

The urban opportunity structure is to a great extent tied into the urban physical arrangement for which the planning profession is primarily responsible. The opportunities for jobs are limited by the distance and the means of transportation. The spatial distribution of various basic urban service institutions is inequitable from one area to another. Poor housing not only takes away a big slice of one's meager income but also becomes an extension of one's self-image. Notwithstanding, little has been known about this link between the urban opportunity structure and the urban physical environment.

#### 7. Urban renewal

The failure of urban renewal to upgrade the quality of life in Canadian cities is a good example of our inadequate knowledge about this link. Urban renewal as we see it today, is heavily oriented towards the improvement of physical appearance rather than to the self-development of people. A new concept of neighborhood renewal through local participation should be developed for the improvement of the quality of life in deteriorating areas of the city. The scope of the concept should not be limited to physical improvement alone but should be extended to all the dimensions of deprivation.

#### 8. Public Housing

Large-scale public housing projects have been often criticized for their institutional appearance and their inadequate consideration of the life-style of their residents. The ultimate objective of public housing should be not so much to provide "decent and sanitary" housing for low-income people as to provide an adequate opportunity for them to participate in the main stream of the economic system through self-development. The urban

Lehrman, Secretary-Treasurer, Faculty of Architecture, University of Manitoba. Winnipeg 19.

opportunity structure is dependent not only on the decent and sanitary dwelling unit but also on a variety of supporting urban service institutions, such as nursery, day-care center, job training center, etc. It is absolutely essential that all the various efforts towards the elimination of poverty be co-ordinated.

#### 9. Co-ordination

One of the key factors for the success of any anti-poverty program would be the co-ordination of various inter-related measures. Area-wide co-ordination has been one of the main concerns of the planning profession. Although our present knowledge of the relation between the urban opportunity structure and the urban physical system is less than adequate, we believe this area-wide co-ordination for the equitable opportunity structure is the key for the long-term success of our anti-poverty program.

#### 10. Illustrations

The following two figures are added to illustrate the absolute necessity of area-wide co-ordination of anti-poverty efforts. One of the foremost reasons of this is the uneven distribution of the incidence of poverty within an urban area.

#### 11. Figure 1

Figure 1 shows the geographic distribution pattern of wage and salary income per family among census tracts in the Winnipeg area according to the 1961 Census. The dark areas indicate the 15 lowest ranked census tracts in terms of family income. The population living in these tracts composed approximately 10 per cent of the total Metropolitan population. The hatched areas, on the other hand, represent the 15 highest ranked census tracts in terms of family income. The population in these tracts composed approximately 17 per cent of the total Metropolitan population. The general pattern of income distribution in the Metropolitan area as illustrated in Figure 1 has not been essentially changed since the Census.

### 12. Figure II

The geographic distribution of major public hospitals and post-secondary educational institutions is illustrated in Figure II as a demonstration of inequitable distribution of basic urban service institutions. A generalized form of Figure I is shown in blobs.

W. Bloomberg, Jr. and H. J. Schmandt ed. Power, Poverty and Urban Policy, (Beverly Hills, California: Sage Publications, 1968) p. 24.

## Brief for Central Ontario Chapter Town Planning Institute of Canada

# To be Presented to the Senate Committee on Poverty

"This mournful truth is ev'rywhere confess'd-Slow rises worth, by poverty depress'd." (1)

The members of the Central Ontario Chapter, Town Planning Institute of Canada, recognize that the problem of poverty is one that touches on a great many aspects of life within the community. It has complex and difficult ramifications that go well beyond the areas in which the members of this Chapter are particularly proficient.

It is proposed in this brief to confine comments to those areas in which the members of the Chapter have experience, in the hope that the comments offered may supplement the submissions of others whose knowledge is in different areas of the field.

It is also recognized that there is even difficulty in defining the cases that should come under the heading of poverty. While in some instances may be considered to be examples in an absolute sense, a great many others are relative—people being impoverished compared to others or to the circumstances that are considered to be acceptable for them. However, in this brief, no attempt is made to define or classify poverty in this way.

The heading under which the issue is considered are:

- 1. The Prevalence of Poverty
- 2. The Conditions of Poverty
- 3. Programs Pursued to Combat Conditions of Poverty
- 4. Problems of Eliminating these Conditions
- 5. The Planning Consequences of Eliminating Poverty
- "By no means run into debt; take thine own measure. Who cannot live on twenty pound a year, Cannot on
  - forty."
  - "The poor shall never cease out of the land."

## 1. The Prevalence of Poverty:

In the course of their work, members of the Planning profession become conscious of the problems of the large numbers of people in our society who suffer from poverty. These may be elderly people without any income other than the Old Age Pension or many classes of people who are eligible for welfare relief. However, it is also noticeable that there are a great many people who appear to receive little or no public assistance and whose conditions are also very poor. Single people, particularly men below the age at which they become eligible for an Old Age Pension, may be in dire circumstances if they are unable to find employment. Even some of the employed who are paid very low wages, possibly even below the minimums specified in law, are frequently faced with a severe struggle to survive. In all of these instances, even where welfare assistance is received, the general

situation is that people appear to be living at a minimum subsistence level.

While there are substantial concentrations of poor people in certain areas of our cities, there are also examples to be found widespread in many areas, and it is notable that some of the worst conditions occur in rural areas outside the cities. These may be places to which people have gone because living seemed to be cheaper, only to find that the cost of continuing to operate, particularly if they have to work in the city, is quite high. In other instances, the rural communities are stagnant, or even declining, and the economy as a whole is at such a low level that, people are simply hanging on as the community expires. Rural poverty may seem more slow paced, even romantic but it is just as real as in the cities.

There is also probably a higher proportion of those who are marginally self-supporting in the rural areas.

In dealing with the poor, planners become very conscious of the human qualities of these people. There is a very wide variety and it is not surprising to find well represented among them the people to whom society pays a considerable amount of attention. There are those who have limited mental or physical capacity; those who have grown up in poverty and have carried on in the way of life that they have always known; others do not know how to operate in society so as to better their lot. But there is also a hopelessness which can probably best be expressed by saying that we have not yet conceived of a society in which everyone can succeed. It is almost inevitable that within a society whose spectrum runs from success at one end to failure at the other end, we are bound to have a significant proportion of failures who will live in poverty.

Among those who exemplify this problem today are those persons, mainly men, who have become obsolete as labour in our society and who face a hopeless prospect of ever again being able to fulfill a useful and profitable role in society.

It is true that there is a small number who appear to choose to be poor. Traditionally the tramps and hobos have selected this form of life, although even they appear to have had little choice. They represent a fringe of our society which generally causes little or no harm and can well be tolerated as a safety valve for some individuals with quite eccentric personal needs.

A great deal has been said and written about welfare habituees who have made it a way of life to live off the welfare systems. Such persons do exist but their numbers are very small. It is a form of life that people seem to be happy to keep out of, provided they learn how to do so before they know of no other way. Few people appear to be able to accept this as a reasonable form of living.

In recent years a new form of welfare poor has arisen in the rebel elements of society, who choose to live as hippies, or in other similar manner, rejecting the idea of exerting themselves

<sup>(1) &</sup>quot;London" Line 176—Samuel Johnson (2) "The Church Porch" Stanza 30—George Herbert (3) "Deuteronomy" VIII, 3—Old Testament

Poverty 20-10-1970

to improve their economic position. To some extent these people appear to follow the traditions of rebels of previous ages but they are probably to a greater extent an expression of the affluence of the present day society in which they can live reasonably well without engaging in the normal means of earning a living. Generally these people know how to live in society in this manner that they have chosen.

All of these groups of the voluntary poor, however, are relatively small compared to the large numbers who are poor, apparently mainly because that is their lot in our society.

#### 2. The Conditions of Poverty:

Planners are made very much aware of the conditions in which the poor live, especially in undertaking such assignments as urban renewal studies. There can be no doubt that the way a poor family or individual will live may vary greatly, depending on the attitudes and efforts of the individuals. Some will keep their homes clean and tidy, and even somewhat attractive, while others will live in squalor. But there is equally no doubt that poverty imposes a very harsh burden on the individual in trying to maintain the decency of his surroundings. It is a perpetual grind that requires consistent effort if it is not to overwhelm the people who are subject to it.

It is customary to think of the poor as living in rundown housing and undoubtedly this is very often the case. Some are able to obtain possession and to continue living in these poor houses in what is otherwise a reasonably stable way, but a good many are forced, through their inability to afford even poor housing, to move from place whenever their financial problems become too great. The burden of rootlessness and the cost of moving, with its attendant loss of their furniture and other worldly goods, is a common experience of those who are forced to move as a way of escaping from financial liabilities.

All too often the difficulty the individual experiences in maintaining decent living conditions for himself is compounded by the neglect of public authorities. It seems too clear that in a great, many communities the standards established by the individuals in an area become the standards pursued by municipal authorities, public utilities, and others in this same area. Where an area is well-to-do and well maintained, public effort will normally be expended to see to it that streets, sidewalks, public buildings are in good condition; garbage collection is well done and frequent, and even that the provision of facilities such as parks, recreation centres, and libraries is on a generous scale. On the other hand, areas of poor homes which are in mediocre condition may also have neglected streets, boulevards, etc., and the provision of public facilities may be appreciably below standard. The grimness of the individual property is frequently reflected in the grimness of the public facilities provided.

Perhaps worst of all, in those places where there is no adequate system of government at all, as in rural areas or unorganized territories, little or nothing is done to maintain or improve public property in any way that could alleviate the conditions of the places where people live.

### 3. Programs Pursued to Combat Conditions of Poverty:

"The poor must be wisely visited and liberally cared for, so that mendicity shall not be tempted into mendacity, nor want exasperated into crime." (5)

The more obvious programs pursued are in the realms of public housing and urban renewal. The squalor in which people have lived has quite widely been regarded as a tremendous burden on them, something that makes it very hard for them to lead decent, constructive lives. It has been viewed as most desirable to get them out of these conditions into decent housing so that they could then begin to improve their lives. Undoubtedly this has been successful in many instances, although it has also brought problems in its own train. Perhaps it has, among other effects, tended to separate out those people who have the ability to succeed in our society once they are given a helping hand from those who have much greater difficulty in making their way. The former group have frequently either made a good life for themselves in public projects or in some instances have accentuated the problems of their own disabilities on being brought together with others who are similarly inclined.

Many members of the profession feel, and have felt for many years, that programs of public housing are a reflection of the condition of poverty in society. The ideal solution would be to do away with poverty so that there would then be no need for such programs, but lacking that possibility, it has been considered preferable to pursue the available programs since they do achieve some degree of amelioration of conditions, rather than do nothing until the millenium is reached.

Success with senior citizens housing generally appears to have been greater than with family housing. This also seems to be true of those few projects which have catered primarily to adults rather than to families with children. It is not easy to say why this is, but it is noticeable that such projects are closer to typical development in our cities than are the family housing projects. It may also be that they are accepted as simply part of the housing stock that people can attempt to get into if they are eligible rather than as something which is very different from the normal. Presumably also the fact of concentrating a substantial number of adults, or elderly people whose incomes are quite limited, is not so extreme as concentrating families with children who cause extensive wear and tear on the property. Such families also more frequently include a substantial proportion of cases where people require guidance to look after their homes successfully.

On the whole, experience, certainly in the area of this Chapter, has been that the efforts in public housing, senior citizen housing, etc. have been quite constructive although falling short of the desirable goals. Undoubtedly they have lifted many people from conditions of squalor and given them an opportunity to live in more pleasant surroundings. It is also encouraging to note that over the years, there have been progressive improvements in the design of projects so that the living conditions created have gradually become more attractive.

The problems experienced with urban renewal are of a rather different order. Such projects are determined in the first instance by the condition of the area and its location within the broader community. They are not exclusively designed to deal with problems of poverty, although this may be one of the goals. Since such projects involve a significant amount of clearance and substantial changes in the area, they are bound to disturb the people who are living there, and it is not surprising that complic-

<sup>(4) &</sup>quot;From Divine Weekes and Workes, translated (1606) by J. Sylvester"—Guillaume de Salluste, Seigneur du Bartas. "Second Week. First Day, Part 4"

<sup>(5) &</sup>quot;Yorktown Oration (1881)"-Robert Charles Winthrop.

ated and even acrimonious situations develop. Whatever the conditions might be and however much there might be objection at the time, it generally appears to be true that the results of urban renewal programs have been to create better conditions for the community but not necessarily to greatly improve the lot of quite a number of the people who were in the area in the first instance.

In recent years, additional programs in the way of the creation of better education facilities, more parks, recreation centres, and such like have been undertaken, sometimes as part of urban renewal programs and sometimes independently. It is hard to say how effective these programs may be but there seems to be every reason to look upon them with optimism. They should help to provide people in these areas with a fuller life that may help them and their children to escape some of the conditions of a restricted environment. They may even help to combat some of the problems experienced by the poor in these areas.

By and large, the present programs appear useful and constructive, but they do not get directly at the problem of eliminating poverty and creating a society in which all can live without fear of want.

#### 4. Problems of Eliminating these Conditions:

"It is not the man who has too little, but the man who craves more, that is poor."

Planners are very well aware that the basic problems of eliminating poverty are economic and social. The concept of a society in which nobody suffers serious deprivation is relatively new and it is not clear how it would work. The possibility of being able to afford to give every individual the means to provide for himself is also unclear and is certainly beyond the competence of the profession of planning, let alone a local chapter, such as this. It does seem however, that as the national prosperity improves, the trend will be towards spreading the income in such a way that individuals will have the wherewithal to look after their own needs. The goal sought by many planners of eliminating poverty through the provision of adequate income for everyone could become a realizable goal in this way. It still seems highly probable that the level of such universal income would be very low for many years to come, so that while extreme poverty might be eliminated, many of the conditions with which we are at present familiar, will continue for a long time to come.

In the field of housing in particular, it is also of great importance how the relative cost of housing changes as against the income available to pay for it. There is little indication at the present time that the productivity in housing will increase to a point where the kind of income that could be made available to the great majority of the population would be adequate to buy a good standard of shelter. It seems highly probable that public efforts in this field will have to be maintained and intensified and may very well involve a significant degree of subsidy for many years to come.

Just as the problems of poverty are very diverse and suffuse large areas of our society, it will be necessary to pursue a wide variety of programs designed to take care of the many different conditions encountered. Education, recreation and other programs, which generally fall under the heading of enriching the life of the individual and the community, will require much greater attention if the elimination of poverty is to lead to the desirable objective of enriching individual and social life.

#### 5. The Planning Consequences of Eliminating Poverty:

"Economic distress will teach men, if anything can, that realities are less dangerous than fancies, that fact-finding is more effective than fault-finding."

The immediate task is to do away with those conditions that are unacceptable; the elimination of poverty as a way of life which is forced on people because of the way they have grown up or because of the way that they, as individuals, are able to operate in our society. It seems highly probable that some headway will be made in ameliorating, or even eliminating, the most severe conditions.

It would seem only sensible to try, at this stage, to foresee the consequences of that success and to try to plan in advance so that fresh problems are not created and so that the best possible results are obtained from the efforts undertaken.

One obvious effect of the reduction of poverty would be an accelerated demand for housing. It seems clear that thought must be given well in advance to the selection of land, its servicing and organization, the financing of housing, and the efficient stable organization of the construction industry so as to achieve economic development that will not undermine the advances in countering poverty. It would be very easy for the increased funds put in the pockets of individuals to be squandered for inefficient development or, to a large extent, siphoned off through unscrupulous speculative pressures if there is not foresight and action to ensure that does not take place.

It is equally evident that many segments of the economy would experience rapid growth if much more money was available in the hands of the people of low income. It is a common observation that as their prosperity increases, the poor will purchase television sets, furniture and other means of making their lives more comfortable and enjoyable, besides spending more on the maintenance of their homes and taking steps to get better accommodation. Production would increase; distribution and sales would be enlarged. There would be a diversification in the range of items required as well as in their quantity.

Undoubtedly our cities would experience the usual requirements for more space for such activities and provisions of an adequate range of services would be an important part of efforts to make the increased affluence mean something in the lives of the people.

It is a general experience that as society becomes more prosperous and people have a greater opportunity to call for the goods and services they want, that the demand for services rises, recreation is sought to an increasing extent, education becomes more important, and space is used more freely. This latter is an expression of the increased demand for a variety of different recreations and services as well as the increased mobility frequently leads to the individual choosing to live in a location which gives him more space and freedom for action rather than in the more constraining limits of the inner city.

None of these probably developments is any cause for alarm. All can be provided for, and in fact with great benefit, if they are recognized in advance. It is true that this process is likely to be

<sup>(6) &</sup>quot;Epistle. 2,2"-"Translation by W. H. D. Rouse, Loeb Classical Library" —Seneca.
(7) "Progress and Power"—Carl Lotus Becker.

rather slow one, but it seems highly probable that over a period of 10 or 20 years substantial changes will have been made. This may seem to be a length of time such that our society could adjust and adapt to it gradually, but in fact in the planning of the organization of our cities and rural areas, it is a relatively short term.

Major decisions and major capital investments must be made well in advance if the final realization on the ground is to be successful and attractive, and reasonably economic. It is none too early to be thinking now about the necessary steps that will follow in the train of the general advances that are made in this most important effort to improve our society.

BRIEF

SUBMITTED BY

THE ST. VINCENT DE PAUL SOCIETY

OF CANADA

TO THE

CANADIAN SENATE COMMITTEE

ON POVERTY

To The

Chairman and Members of

The Canadian Senate Committee
on Poverty,

Gentlemen.

In keeping with the Rule adopted by its founders, the St. Vincent de Paul Society of Canada, for the past hundred and twenty five years, has carried on its work in relative obscurity, avoiding all publicity other than that which discreetly made known to its thousands of potential and anonymous contributers the importance of sharing with the less fortunate and the needy.

On this day, the Society breaks off from this long established tradition of silence and discretion, and appears before your Committee in the belief that such an exception to the general rule may, in the long run, prove to be of some benefit to the poor, to whom it is entirely devoted. On the other hand, the members of the Executive Council of the Society did not think it proper to pass up this opportunity of expressing publicly, their gratitude to the persons responsible for your praiseworthy undertaking, as well as their hope, if not their conviction, that the work of your Committee will eventually result in a better life for the underprivileged people of our country.

among the members of the national executive of the Society. It is an attempt at summarizing the many and varied opinions expressed within the individual conferences that make up the St. Vincent de Paul Society in Canada and in that sense, it tends to reflect as faithfully as is possible, the true collective opinion of the membership of the Society.

Some of the working papers submitted to the special committee contained information of such pertinent nature that it was thought advisable to include them in their integrity as appendices to the main portion of the brief. In like manner, the work accomplished by the St. Vincent de Paul Society in Canada is of such scope - having in times of crisis played a historic role of prime importance - that this brief would not have been complete without a detailed summary of the Society's activities over the years. Such a summary has also been included as an appendix.

The task of presenting the brief has been entrusted to a group of people chose from among the members of the national executive and representing the various elements which make up the St. Vincent de Paul Society of Canada. This group comprises:

MRS MARIE CLAIRE G. LETARTE, 1045, St. Cyrille Boulevard, Quebec. International Vice-President of the St. Vincent de Paul Society for the three Americas, and President of the Women's Superior Council of the Society in Canada.

GERARD LEMAY, 105, Laurier Avenue, Quebec. Judge of the Quebec Provincial Court, and President of the Men's Superior Council of the Society in Canada.

ROGER CALOZ, 2, Heatherington Drive, Agincourt, Ontario. Chartered Accountant and President of the Ontario Provincial Council of the St. Vincent de Paul Society.

JEAN CLAUDE NEPVEU, 635, Parent St., Saint-Laurent, Montreal, Quebec. President of the Montreal Hydro-electric Commission, President of the Montreal Central Council and National Vice-President of the St. Vincent de Paul Society of Canada.

MAURICE OUELLETTE, P.O. Box 243, Chicoutimi, Quebec. Regional Coordinator for the Quebec Department of Municipal Affairs, President of the Chicoutimi Central Council and National Vice-President of the St. Vincent de Paul Society of Canada.

PATRICE THOMAS BOUDREAU, 165, East Grande Alleé, Quebec. Special advisor to the Quebec Minister of Agriculture and Colonization and member of the National executive of the St. Vincent de Paul Society of Canada.

PAUL GOULET, 1050, de Coulonge St., Sillery, Quebec. Executive Director of the National Council of the St. Vincent de Paul Society of Canada.

## APPENDICES

- APPENDIX "A" Historical notes on the founding, development and work of the St. Vincent de Paul Society of Canada.
- APPENDIX "B" The Women's Superior Council of the St.

  Vincent de Paul Society of Canada.
- APPENDIX "C" The poverty of Legal assistance.
- APPENDIX "D" Poor among the poor the ex-convict.
- APPENDIX "E" Memorandum submitted by the Montreal

  Central Council of the St. Vincent de Paul

  Society of Canada.
- APPENDIX "F" Specimen of questionnaire completed by some three thousand Canadian families currently receiving assistance from the St.

  Vincent de Paul Society of Canada.

THE ST. VINCENT DE PAUL SOCIETY OF CANADA SUBMISSION TO

THE SPECIAL SENATE COMMITTEE ON POVERTY

## THE ST. VINCENT DE PAUL SOCIETY OF CANADA

- 1. For well over a century, the St. Vincent de Paul Society of Canada has been identified with direct relief work in the service of the poor, the unfortunate, the suffering and the needy. Introduced to Quebec in 1846 by Doctor Joseph Painchaud, himself a disciple of young Frederic Ozanam, the founder of the Society in France, the Canadian branch of the St. Vincent de Paul Society filled such a crying need, that within a very few years, units of the Society, or conferences as the are usually called, had spread throughout the country. And by 1856, at the time of the first major economic slowdown in Canada, conferences of the St. Vincent de Paul Society were carrying on their work of charity in most of the cities throughout Canada and particularly in Halifax, Quebec, Three-Rivers, Montreal, Ottawa, Toronto and Vancouver.
- 2. Out of the inspired imagination of the young founder of the Society came the formula of local cells or conferences which makes it possible to establish intimate contact with underprivileged

members of society in the very midst of their sufferings and privations and not only to take care of their more pressing material needs but also to determine and eliminate if possible the deep-set causes from which they spring.

- 3. Conferences of the St. Vincent de Paul Society are made up of a limited number of volunteer workers who labour without pay, at the parish or community level, for the relief of the poor and unfortunate of all categories, regardless of race, color or creed. Members keep in constant contact with the underprivileged, remaining week in and week out in close touch with their problems and their efforts at solving them, able to take with some precision, the pulse, as it were of this suffering segment of our population and storing up for immediate as well as for future use valuable data with which to document the search for a global and lasting solution.
- 4. There are, in Canada, 859 St. Vincent de Paul conferences, grouped in 95 Particular or Regional Councils. These in turn, are grouped together into 9 Central Councils. At the top of this administrative pyramid are two National or Superior Councils, the Men's Superior Council of Canada and the Women's Superior Council of Canada.

- 5. Spread in uneven density over the entire stretch of the Canadian territory, St. Vincent de Paul Society conferences do, to a certain extent, concentrate the major portion of their acticities in the larger urban centers such as Quebec, Montreal, Chicoutimi, Saint-Jean, Ottawa, Toronto, London, Vancouver and Halifax. Nevertheless, in many cases their operations also extend into rural districts particularly those situated in the immediate vicinity of the major urban communities.
- 6. It is also fitting to mention the many charitable institutions which have been founded by the St. Vincent de Paul Society of Canada in the course of its existence. It is with some pride that the Society recalls its association with such worthwhile undertakings as the Ste. Madeleine House of Refuge, the Sisters of the Good Shepherd of Quebec, the Youth Centers, the People's Banks, (now the Provincial Bank), the Soup kitchens, half-way houses for ex-convicts, Sewing circles and Seamen's Clubs.

# SPECIAL STUDY OF THE CAUSES OF POVERTY

7. For the purpose of the present brief, the St. Vincent de Paul Society of Canada, after more than a century of service to the poor, could well have relied on the unlimited amount of pertinent information accumulated over the years and readily available

in its voluminous archives. It was felt however that the importance of the occasion warranted the gathering of more up to date data and for this reason a detailed questionnaire was prepared and distributed to approximately three thousand families currently receiving assistance from St. Vincent de Paul conferences in the areas of Montreal, Quebec City, Chicoutimi, Joliette, Toronto, Windsor, London, Victoria, Vancouver and Halifax.

8. An analysis of the information obtained in the course of this investigation reveals that, in almost all cases, the state of poverty uncovered by the voluntary workers of the St. Vincent de Paul Society, stems in almost equal proportions from four major factors, namely, permanent or chronic unemployment, illness or physical disability of one or both parents, insufficience of income in proportion to family responsibilities and alcoholism. There is also, in every case, besides one or more of the major factors already mentioned a maze of interdependent secondary or remote causes such as matrimonial problems, lack of education, lack of adequate preparation for the labour market, laziness or desertion on the part of the family bread-winner, recent migration to an urban center and the general apathy of the social environment. All these factors are so closely inter-related that it becomes impossible to determine whether one is dealing with the causes or the

effects of a hopeless situation and even when concerted action is taken against one or the other of these factors in particular, no significant progress is achieved in the overall situation.

- 9. The St. Vincent de Paul Society's survey also revealed in urban areas a most disquieting aspect of the problem of poverty, the existence of which had been previously thought to be confined to a few relatively isolated rural areas. Answers to the question-naire indicate that, if exception is made of certain districts of Montreal where social workers and citizens' groups have been particularly active, in excess of 25% of the families currently receiving assistance have accented as normal their present situation and show not the slightest inclination to strive for a better lot.
- 10. Considered for their intrinsic value as well as in relation to the practical experience of a past, rich in accomplishments in the service of the poor, the results of the 1970 survey make it possible to lay down a certain number of basic principles which, we believe, should serve as a starting point to any attempt at initiating a programme of social security by the various administrative levels of the machinery of government. These same principles have guided us in our work and have inspired the recommendations contained in the present brief.

#### GENERAL PRINCIPLES

- 11. The mere distribution of direct assistance in the form of cash payments no doubt contributes to some extent to the relief of material, and sometimes moral difficulties. But in no way can it be accepted as a definite, or even partial solution to the overall problem of poverty. During 1969, the federal, provincial and municipal governments in Canada distributed in various forms of social security payments the enormous sum of eight billion, seven hundred million dollars. Yet, all things considered, the number of poor in Canada in 1970 is at least equal if not superior to that of the period from 1920 to 1930 when social security measures were still relatively unknown.
- 12. Even when the problem of poverty is considered under its more immediately practical aspect, namely, the study of individual cases, it becomes evident that only in exceptional cases, does direct assistance in the form of cash remittances provide a global solution to the problems of the individual or family concerned.
- 13. Direct assistance in the form of social welfare payments, subjected to the hazards of an often biased analysis of the needs of an individual or family should be forever banned from our Canadian way of life. Nothing is so frustrating, so depraying, so

destructive of all personal initiative and every trace of individual or collective energy, nothing contributes so much to the loss of all human dignity as the constant concentration of efforts on the part of the outcasts of society at convincing the public authorities of the extent of their own degradation.

- 14. If we take for granted that in the Canadian context a state of poverty constitutes an abnormal human condition and that the efforts of all including the governing powers should be directed towards, not only providing temporary relief, but bringing about its complete eradication, then it stands to reason that all measures of social security should be so structured and applied as to achieve this fundamental objective.
- changes to the basic characteristics of the human race, the combined efforts of all segments of society will never achieve the complete elimination of the problem of poverty. This is an eternal truth with which we must learn to live, without letting its dire consequences deter us from constant and renewed effort. The St. Vincent de Paul Society recognizes the fact that "the poor you will always have with you" (John XII, 8); it persists nevertheless in basing its action in the service of the poor on that other prolamation of Christ: "Inasmuch as you did it for the least of my brethren, you did it unto Me" (Matt. XXV, 40).

# DEFINITION OF POVERTY

- 16. The St. Vincent de Paul Society of Canada can accept only with the strongest reservation, the definition of what constitutes a state of poverty as contained in the 1968 annual report of the Economic Council of Canada, that is, an income under \$1800 in the case of a single person and \$3000 for a family of two, these amounts increasing to \$4800 for a family of five children. Regional disparities and countless other factors, impossible to evaluate, preclude the adoption of such arbitrary standards.
- 17. On the contrary, poverty appears to us, not mainly as a lack of material goods, but as the outcome of an intermingling of numerous moral and psychological factors, all parts of a snowballing vicious circle, seemingly defiant of all efforts at breaking it up. There is always an element of relativity to the phenomenon of poverty and it only becomes an absolute reality in those cases, seldom found in Canada, where individuals or families are deprived of the very basic necessities of life.
- 18. Poverty cannot be defined in absolute terms. At best, it is possible to make an attempt at categorizing its more apparent outward manifestations. And even in the latter case, it must be remembered that such classification can only be the result of a

purely subjective analysis, intended to serve specific purposes. It is with this in mind that, for the purpose of this brief, the St. Vincent de Paul Society of Canada has tried to outline those outward aspects of the problem of poverty most applicable to the Canadian scene.

- 19. There is, first of all, a physical or material poverty, which, alone and within certain limits only, can be relieved by means of direct cash remittances. This form of poverty consists in the lack of sufficient income to guarantee the individual or the firstly such a degree of material well-being as is necessary to maintain the minimum standards of human dignity. Being materially poor is to be without the means of providing one's self or one's family with decent shelter, food and clothing; it is being the victim of illness or accident and unable to obtain even the most urgent care; it is having to send children to school without being properly fed; it is having to walk the streets endlessly in a fruitless search for unavailable employment; it is dropping out of school or university because of the lack of sufficient funds to pay for the necessary books and tuition fees.
- 20. There is also a social poverty, the unenviable lot of an ever increasing group of people, which modern society, with its corrupting materialism, tends more and more to reject. Among these

are the widows, left with heavy family responsibilities, incompatible with any hope of contracting a new marriage; likewise the thousands of women, and men, deserted by irresponsible husbands or wives incapable of coping with their matrimonial difficulties; such also are the aged people, to whom the present generation barely recognizes the right to linger with their memories of the past; the thousands of unfortunate orphaned children, whose lack of physical attractiveness failed to arouse the interest of prospective foster parents and who pursue their unhappy existence within the confines of charitable institutions; and last but not least, the countless victims of alcoholism, drugs and permissiveness, whom a so-called "advanced" society abandons to their fate once it has successfully engineered their physical and moral collapse.

21. There is a form of cultural poverty, mainly centred in the slum districts of our major cities and in many rural areas, which sometimes appears to be genetically transmitted from one generation to the next. In many of our Canadian cities, the St. Vincent de Paul Society is currently assisting the fourth and fifth generations of families whose level of instruction has never gone beyond the fifth grade. This lack of schooling tends to become more generalized in rural areas. According to the 1961 Census, 70% of Canadian farmers had not completed their ninth grade and 50% had not attended school beyond the sixth grade level. This form of cultural poverty has always been the shortest and best route to material poverty.

- 22. There is the poverty of legal assistance. With two exceptions, (Ontario and British Columbia), no Canadian province has a regularly coordinated system of legal assistance. In a few cities and in some rural districts. Bar associations have made more or less successful attempts at making up for this deficiency and quite a number of lawyers have, in a private capacity, donated their services without fee to help those unable to afford regular legal counsel. There is still, however, an immense gap between the needs to be filled and the relatively few positive steps taken to fill them. The vast majority of those who appear before the courts of our country are products of the less favored classes of society. They appear, seldom as plaintiffs, more often as defendants, summoned in their capacity as parents, spouses, purchasers, consumers, lessees or tenants. Many are brought to trial, accused of minor offences or even crimes, more often than not a direct result of their more or less sordid living conditions.
- 23. Finally, we have the poorest of the poor, the newly discharged prisoner or ex-convict. Generally speaking, most people find it easy to entertain feelings of sympathy for men serving sentences behind bars. The situation is quite different, however, when the prisoner is discharged, either on parole or after his sentence has been served. Morally and physically weakened by a more or less extended period of detention, the newly released prisoner

is confronted with almost insurmountable difficulties of integration into his new environment. He has little or no money and the only references he can provide a prospective employer are contained in the criminal record which will be his only passport to employment for the rest of his life. Unable to find remunerative work of any kind, often disowned by his relatives, he has no alternative but to turn to the only friends he knows, the professional criminals with whom he might have associated before serving his prison term or whom he met with during his stay behind bars.

#### THE FUNDAMENTAL RIGHT TO A MINIMUM OF WELL-BEING

24. "If the earth truly was created," declares Pone Paul VI in his encyclical message Populorum Progressio, "to provide man with the necessities of life and the tools for his own progress, it follows that every man has the right to glean what he needs from the earth. All other rights, whatever they may be, including the rights of property and free trade, are to be subordinated to this principle." (1) Before him, Pope John XXIII had already stated in his encyclical letter Pacem in Terris that "Every human being has a right to life, to physical integrity, and to the necessary and sufficient means for a decent existence, notably in what pertains to food, clothing, lodging, rest, medical help and social services." (2)

<sup>(1)</sup> Encyclical message Populorum Progressio - Paul VI - p.22

<sup>(2)</sup> Encyclical message Pacem in Terris - John XXIII - p.11

of the Canadian welfare system.

- This fundamental right that every man has to a minimum of material well being can be assured only through concerted action on the part of the state. As a matter of fact, most of the states in the modern world have recognized their responsibility in this field and have initiated some form of government action. Many have resorted to an exaggerated form of state socialism which succeeds in providing every human being with the basic vital mecessities, but not without sacrificing even the slightest trace of individual liberty. Others, including Canada, have attempted to solve the problem of poverty through a number of state interventions in the various sectors where the need became more readily apparent. Such interventions, in the form of an ill-assorted and un-coordinated series of welfare measures, not only failed to provide the desired lasting solution but brought about the conditions described in most of the briefs submitted to your Committee and recently qualified by an editorial writer of the Montreal Gazette as "the mess"
- 26. The St. Vincent de Paul Society of Canada does not pretend,

   as we have attempted to demonstrate throughout this brief, that
  it, alone, is in possession of the truth or that it has miraculously
  come upon the universal remedy that will eliminate all traces of
  an evil with which the entire human race has been struggling since
  civilization began. It does, however, hold strongly to the ominion

that Canada, a country immensely rich, both in material and human resources, can, and should, guarantee to every one of its citizens such a minimum of material goods as is, according to St. Thomas Aquinas, "essential to the practice of virtue."

#### ROLE OF THE STATE

27. The first responsibility of the State, the main reason, as it were, for its existence, is to promote the normal development and constant growth of the cultural, social and economic potential of the people under its jurisdiction. It is in this way and particularly through its direct and dynamic action on the economy that it can contribute most effectively towards solving the problem of poverty. "Public authorities" wrote Pope John XXIII, "must make their presence duly felt with a view to promoting the development of production on behalf of social progress and for the benefit of every citizen." (1) Your Committee chairman, Senator David Croll, said much the same thing when he declared on October 28th, 1969, that "in order to eliminate poverty, we must combine a steady rate of economic growth, a high rate of employment and steady prices."

<sup>&#</sup>x27;1) Encyclical letter Mater et Magistra - John XXIII - p.52

- 28. Unfortunately, experience has proved that under an economic system of free enterprise, respectful of individual liberty,
  even the best directed efforts of the State do not succeed in
  eliminating the many islands of economic stagnation where unemployment and poverty prevail on a permanent basis. In fact it can
  happen occasionally, as recent events have amply demonstrated, that
  during a period of economic inflation, unemployment may well be
  considered as a lesser evil.
- 29. It follows therefore, that, regardless of the type of influence it is successful in exercising on the overall economic situation, the State will always have an obligation to take direct action in the field of social security. "Social progress", says John XXIII,\"should accompany and unite with economic development in such wise that every social class may have its share of increased production." (1)
- 30. The St. Vincent de Paul Society of Canada, entirely dedicated to the service of the poor, is in no way concerned with the many conflicting opinions currently being debated on the Canadian political scene concerning possible modifications to the Canadian constitution. The solutions it puts forward to the problem of
- (1) Encyclical letter Mater et Magistra John XXIII p.73

poverty apply, for the present as well as for the future, to Canada as we know it to-day. Constantly aware of the need to remain objective, the Society has attempted to outline the various fields in which each of the three levels of government, municipal, provincial and federal, should strive to exercise its corrective action.

#### THE FEDERAL LEVEL

- 31. In view of the many regional disparities and the wide range of variation in the Canadian economic spectrum, the Federal government alone is fully competent to bring about a redistribution of material wealth in such manner as to assure each member of the Canadian community the minimum of well being to which he is entitled.
- The St. Vincent de Paul Society of Canada recommends that the Federal authorities make a serious study of the possibilities of implementing, in the shortest limit of time, a national plan of guaranteed annual minimum income by means of a negative income tax program. Such annual minimum income could be the one arrived at by the Economic Council of Canada, but in any case, it should be realistic and subject to revision at least once every five years. Every Canadian citizen, from the age of eighteen until his death, would receive from the Federal treasury, in twelve equal monthly instalments, an amount equivalent to the difference between his

actual earned income and the fixed guaranteed minimum income, expressed in terms of basic exemptions and deductions for dependents. The principle of a guaranteed minimum income is already recognized in the case of persons aged 65 and over. The negative income tax program, replacing the present system of universal old age pensions would save the National Treasury countless millions of dollars actually being paid to thousands of aged people for whom the monthly pension cheques represent a totally unjustified surplus income.

33. The Implementation of a national plan of guaranteed minimum annual income, besides assuring to all Canadians the enjoyment of a minimum of material well-being, would eliminate most of the present welfare schemes. There is no doubt that in some cases where people for generations have had to do with the barest necessities, the prospect of a guaranteed minimum income could serve as an inducement towards avoiding employment. However, in the context of our Canadian society, where productive activity of one kind or another is still considered a criterion of respectability, one may well wonder whether such persons are not in need of medical or psychiatric attention rather than deserving of collective and official censure. Moreover, incentives to work may be stimulated through the medium of Unemployment Insurance regulations and the Canada Pension Plan.

- 34. The St. Vincent de Paul Society of Canada fully endorses the amendments to the Unemployment Insurance regulations suggested in the white paper recently made public by the Federal authorities. It further recommends, however, that Unemployment Insurance benefits be henceforth based not on the value of the stamps earned, but on the weekly average represented by the actual income of the claimant during the calendar year immediately preceding his period of unemployment. As every Canadian citizen would be under the obligation to file an annual return of his earnings, such information could be electronically verified with relative facility. On the other hand wage earners would thus be encouraged not only to declare all sources of income but also to take advantage of any employment available to increase their annual income, the latter being the determining factor in establishing the amount of their weekly Unemployment Insurance benefits should the occasion arise.
- 35. In order to enable every Canadian citizen to take full advantage of the benefits of the Canada Pension Plan, the Federal government should consider as regular income Unemployment Insurance benefits as well as monthly payments from the guaranteed annual income scheme, and deduct therefrom whatever amounts would apply to the Canada Pension Plan up to the required maximum.

# THE PROVINCIAL LEVEL

- 36. No longer involved in any of the activities related to the field of direct social assistance, which activities, according to the very authorities in charge, constitute an open invitation to political intrigues, blackmail, fraud and theft, not only on the part of those receiving assistance but also on the part of the people responsible for its administration, the provincial governments would be free to devote all their energy and available resources to the creation of a social climate favourable to the fullest cultural and social development of all classes of citizens. Such direction imparted to the evolution of the individual citizen once he unites with his fellow-man to constitute a social entity, would appear to be essentially a provincial responsibility. This responsibility should be exercised to the fullest extent by the Provincial governments and particularly in the fields of education, leisure, health, social work, labour and justice.
- 37. The St. Vincent de Paul Society of Canada notes with satisfaction the giant steps forward taken by all provincial governments
  in the field of education. It recommends nevertheless, as a means
  of opening to all classes of society the avenues to higher education,
  that the provincial authorities continue and increase their efforts
  in view of providing free education at all levels up to and including the university level. The governing powers must however, be

prepared to acknowledge the fact that all citizens are not endowed with sufficient intellectual talent to accede to the higher levels of education. Consequently, standards of admission should be sufficiently severe as to avoid the creation of a class of professional students whose prolonged stay in educational institutions has no other purpose than the spreading of dissention and revolution.

- 38. Provincial governments should increase the number of technical schools and direct and coordinate their development in line with the needs of industry both for the present and for the years to come. Provinces should likewise set up subsidized apprentice—ship training programs in the various trades in all three sectors of economic activity.
- 39. The exceptionally rapid transition from a rural to an essentially urban way of living experienced by our Canadian society has created almost insurmountable problems of adaptation and re-education. Provincial authorities should entertain strong concern for the many individuals and families uprooted from their natural and normal environment as a result of Canada's fantastic rate of industrial development. Through continuing education, the necessary means must be provided for their profitable integration into their new surroundings and adaptation to their new circumstances.

- 40. The forty hour week, still considered an impossible dream less than thirty years ago is already being replaced by the thirtysix, the thirty-two, the thirty hour week and even less. Finding new ways of putting to profitable use these many extra hours of leisure should be one of the foremost preoccupations of all provincial governments. Multiplying the number of available camping grounds and amusement parks and the systematic training of hundreds of group sports promoters and instructors are fields in which action on the part of provincial authorities should be increased ten-fold, Our individual and collective efforts at attracting and pleasing American tourists should give way to the preoccupation of accommodating our own Canadian visitors. And to this end, provincial governments should take whatever measures are necessary to insure that those sites, which lend themselves naturally to sporting activities of all kinds, remain accessible, under control, to all classes of citizens and not become private reserves limited to the exclusive use of a few privileged individuals.
- 41. The vast majority of Canadians are already enjoying the benefits of universal Hospitalization and Health Insurance plans. In the latter case, the few provinces that have not already taken advantage of the plan will no doubt do so in the near future. The St. Vincent de Paul Society of Canada cannot but reap immense satisfaction from this fortunate development which finally restores to

the poor the sacred and fundamental right to life and health which the mere lack of financial means has so often denied them in the past. It is hoped that provincial authorities will make every effort to develop and modernize available facilities in order that medical services guaranteed by law will be, in fact as well as in theory, accessible to all classes of citizens.

42. The increasing popularity of radio and television, so-called "open-line" programs is a disturbing phenomenon, particularly when one realizes the lack of preparation, if not the incompetence, of the self-styled "experts" in charge. Such phenomenon, however provide ample proof of the urgent need of the common man to consult with knowledgeable persons in an effort to find a solution to his every day problems. Provincial governments should undertake the recruiting and training of vast numbers of social workers whose only responsibility would be to bring counsel and help to individuals and couples, families and aged persons and to every category of suffering or unfortunate people. The fact that they would no longer be associated with the unpleasant task of determining the size and frequency of welfare payments would no doubt go a long way towards assuring such experts in social work the degree of public respect which they have always deserved but have very seldom received.

It becomes increasingly obvious that we are still far 43. removed from that extremely delicate balance that should normally exist between unions and employers in the field of collective bargaining. On the contrary, the lack of common purpose, the basic misunderstanding between the two groups seems to be constantly growing in importance, particularly since the extension, to employees of the public service, of the right to strike has given organized labour a degree of power which it does not yet seem capable of handling. The St. Vincent de Paul Society has not the slightest intention of contesting the right to strike for any class of workers in Canada. But it does consider unfortunate that the degree of power it carries should be concentrated in the hands of a few union leaders, some of whom appear to be using it for their own personal advancement and have even gone so far as to publicly declare their intention of using such power for purposes totally foreign to the immediates interests of the workers they represent. We therefore recommend that provincial labor codes be so amended as to restore the power of strike to those for whom it was originally intended, namely the workers themselves. All workers involved in a labour dispute should be given the opportunity of voting in favor or against strike action in the relative calm of their own homes, confronted with the-r family responsibilities and far removed from the influence of professional agitators. Supervision of such vote could be assured by officials of provincial I epartments of Labour. Strike action would be legally authorized only on the condition that fifty per cent plus one, not of the persons casting ballots, but of the workers duly inscribed on the official list of the labour union involved, declare themselves in favor of such a measure.

- that provincial governments strive, by every means at their disposal, to convince the major labour groups of the necessity of consenting to a period of catching-up, during which period every effort should be made to consolidate advantages already obtained and to extend the benefit of such advantages to the very high proportion of non-unionized workers who are yet without any protection and whose difficulties tend to increase in direct proportion to the degree of success obtained by organized labour.
- Legal assistance and the re-integration of the newly released prisoner into a normal society are fields of social action in which the responsibility of the provincial level of government appears evident and where practically everything remains to be done. The St. Vincent de Paul Society of Canada has traditionally focused its attention on the helpless victims of the public administration of justice as well as on those particularly unfortunate individuals, the ex-convicts. Proof of this may be found in the very existence of the Society's favorite projects, the centers of rehabilitation

such as La Maison Painchaud and the St. Leonard Houses. Similar proof, if necessary, can also be found in the substantial document—ation included as an appendix to the present brief. The St. Vincent de Paul Society of Canada holds to the opinion that provincial governments should, even now, anticipate the establishment of a contributory form of legal assistance plan, similar to, though of less importance than, hospitalization or health insurance. The St. Vincent de Paul Society of Canada is likewise of the opinion that provincial governments should provide financial assistance to those organizations which voluntarily donate their services to the welfare of prisoners, not only during their stay in prison but also and especially following their release.

# THE MUNICIPAL LEVEL

As long as the overall sources of potential tax income continue to be portioned off in such a way as to restrict the levying of taxes by the municipal governments almost exclusively to the assessed value of real estate, municipalities should not be called upon to assume any financial responsibility in the field of social security. They can only do so at the risk of having to tax property to the extent that access to private ownership of real estate becomes, as has often been the case, limited to a privileged few. Moreover, the increasing differential in the financial resources of

the various municipalities, sometimes even adjacent, often creates a situation where the amount of direct assistance provided to citizens, by virtue of their fundamental right to a minimum of well-being, relates not to the actual needs of the individual or family but to the presence or absence of prosperous industries within the limits of the municipality. Provided federal and provincial governments take on those responsibilities which are logically theirs, the role of the municipal government should be limited to that of maintaining such quality of public utilities and services as can only be guaranteed, particularly in the major urban centers, by mobiliting every available source of income.

# CONCLUSION

47. Throughout its long history, the St. Vincent de Paul Society of Canada has been able to appreciate the everlasting truth contained in these words which the late Cardinal Villeneuve, Archbishop of Quebec, used to quote at every opportunity. "Since the beginning of time and throughout the world, it has been found that it is always the poor who give most generously to works of charity, because they themselves have experienced suffering and privation and because the goodness of heart which is always the essential motive behind every donation is their principal if not their only asset." In a world where man's ability to adjust has not been able to keep up with the rate of scientific and technical development, the traditional

generosity of the less poor among the poor can no longer take care of the countless victims of such rapid progress. The proposal, therefore, to effect a further redistribution of material wealth, as set forth in the present brief, has no other purpose than to make it possible for every Canadian to take on his share of the burden which has too long been assumed by a relatively limited number of men and women of good will.

48. Such proposal should not be construed, however, as implying that the St. Vincent de Paul Society of Canada is ready to give up on the mission entrusted to it by its founders. Whatever may be the action of governments at all levels, there will always exist some form of relative poverty to be relieved. The gradual disappearance of strictly material poverty will, on the contrary, make it possible for all charitable institutions to exercise to the fullest extent the role of Good Samaritan which is theirs by choice.

# RECOMMENDATIONS

- 1. 7 That the Federal government initiate a serious study of the possibilities of establishing in Canada a universal plan of guaranteed minimum annual income by means of a negative income tax program.
- 2. That Unemployment Insurance benefits be no longer based on the value of the stamps earned but on the weekly average represented by the actual income of the claimant during the calendar year immediately preceding his period of unemployment.
- 3. That the Federal government consider as regular income
  Unemployment Insurance benefits as well as monthly payments made by
  virtue of the guaranteed minimum annual income plan and deduct therefrom whatever amounts apply to the Canada Pension plan up to the
  required maximum.
- 4. That provincial governments make an all out effort to guarantee to all classes of society, access to free education at all levels up to and including the university level.
- 5. That provincial governments increase the number of technical

and vocational schools and plan their development according to the needs of industry.

- 6. That provincial governments institute subsidized apprenticeship training programs in the various trades and in all three
  sectors of economic activity.
- 7. That provincial governments take immediate steps to provide the many individuals and families, transplanted from a rural environment to an urban community as a result of Canada's industrial development, with the means to ensure their profitable integration into their new surroundings.
- 8. That provincial governments multiply the number of available camping rounds and amusement parks and proceed immediately to the systematic training of group sports promoters and instructors.
- 9. That provincial governments make every effort to develop and modernize available hospital and medical services, already guaranteed or about to be guaranteed by law, in order that they may become accessible, at all times and anywhere in Canada, to all classes of citizens.
- 10. That provincial governments undertake the recruiting and

training of vast numbers of social workers whose responsibility would be to bring counsel to individuals and couples, families and aged persons, suffering or unfortunate people of all categories and to help them find solutions to their personal and collective problems.

- ll. That provincial labour laws be so amended as to provide all workers involved in labour disputes, the opportunity of declaring themselves in favor of, or opposed to strike action, by means of a referendum supervised by local Department of Labour officials, and the right to cast their vote in the relative calm of their own homes, confronted with their family responsibilities and far removed from the influence of professional agitators. A further amendment should provide that strike action would be legally authorized only on the condition that, fifty per cent plus one, not of the persons casting ballots, but of the workers duly inscribed on the official list of the union involved, declare in favor of such a measure.
- 12. That provincial governments strive, by every means at their disposal, to convince the major labour groups of the necessity of consenting to a period of catching up, during which period every effort should be made to consolidate advantages already obtained and to extend the benefit of such advantages to the great number of

non-unionized workers who are still without any kind of protection.

- 13. That provincial governments give consideration to the possibility of establishing in the near future a contributory form of legal assistance plan similar to, though of less importance than, hospitalization or health insurance.
- 14. That provincial governments provide financial assistance to those organizations which voluntarily donate their services to the welfare of prisoners not only during their stay in prison but also following their release.
- 15. That municipal governments be no longer called upon to assume any financial responsibility in the field of social security and that their role be limited to the maintenance of such quality of public utilities and services as can only be guaranteed by mobilizing all available financial resources.

#### APPENDIX "A"

# THE ST. VINCENT DE PAUL SOCIETY IN CANADA

Generally speaking, there are two kinds of group reaction to a situation of poverty. The first, usually found either in times of national disasters, in periods of economic depression or in the presence of specific forms of distress, results in the spontaneous creation of special organizations. Such organizations are brought into existence, grow, and usually accomplish the specific purpose for which they were created. Then, like certain types of medication, once the crisis is passed, as soon as the cause of suffering has been eliminated and normal conditions restored or the desired renewal achieved, they disappear from the scene there being no further reason for their existence.

The other reaction differs considerably from the first. It usually manifests itself in the urge to create and develop institutions that will continually strive to find solutions to the vast and complex problem of poverty and particularly those forms of want and destitution which have assumed specific and often permanent characteristics. This type of reaction has resulted in the founding of such organizations as the Cancer League, the Anti-Tuberculosis League, the Society for Mental Health, the Society for Physically Handicapped Children, the Salvation Army and the Red Cross.

One of these organizations, introduced in this country well over a century ago, is the Canadian branch of a Society which carries on its work in one hundred and seven countries throughout the world. Units of this Society, usually called cells or conferences, can be found in all our major cities and larger rural centers. At times of major economic crises in the past century it has often become the focus of attention in our social and economic life.

Indeed, the very mention of its name has oftentimes managed to awaken feelings of uneasiness in the hearts of the well-to-do and shamed them into greater action. This organization, the St. Vincent de Paul Society of Canada, sometimes familiarly known as "the St. Vincent de Paul", is always present wherever want and poverty exist.

It was in Quebec City, on July 19th, 1846, the day which the Catholic Church has designated as the feast of St. Vincent de Paul, that Doctor Joseph Painchaud founded the Society in Canada. He had just returned to his native Quebec after completing his studies in France where he had met and worked with the founders of the new Society. Within three months, three local groups or conferences were active in the city of Quebec, and this rate of development, remarkable as it was at the time, was to continue unabated, earning for the Society in a relatively limited period of time popular and official recognition on a national basis. In fact during the crisis-laden hours of our history the development of the Society took on truly miraculous dimensions even though at no time

was its voice ever heard in the spheres of political action or influence. In the course of this fantastic development the Society managed to reach out and often rescue those countless victims whom the churches, the governments and various institutions could no longer reach or even had abandoned by the wayside.

In 1850, the international headquarters of the St. Vincent de Paul Society granted a charter to the Superior (or National)

Council of Canada, deciding on the city of Quebec as national headquarters of the Canadian branch of the Society. Thereafter, the number of conferences increased as if by magic and by 1856, there were conferences for French-Canadians, for English-Canadians, for Canadians of Irish descent and for immigrants.

The St. Vincent de Paul Society of Canada comprises two distinct sections: the men's section and the women's section.

Both use the same methods to achieve their purpose. There has always existed between these two wings of the Society a spirit of fraternal co-operation and a large number of projects of national importance have resulted from the joint efforts of these two bodies of voluntary workers.

Particulars concerning the women's section of the St. Vincent de Paul Society of Canada are included as Appendix "B".

The introductory remarks appearing at the beginning of the present brief make reference to a number of charitable institutions which have come into being through the action of the St. Vincent de Paul Society of Canada since its founding. These institutions have

played a major role in the rehabilitation of countless families.

The St. Vincent de Paul Society itself has not laboured entirely under a veil of secrecy. It has on the contrary always been in the midst of things, forever on the alert, ready at all times to offer its co-operation to other groups and to all levels of government. During every major economic slowdown, cities like Montreal and Toronto have relied entirely, for the distribution of direct relief in the form of food and clothing, on the St. Vincent de Paul Society whose members, without exception, served without any remuneration or pay.

At the beginning of the present century, when the central government had not yet introduced the many social security measures now in force, the then Prime Minister of Canada, blamed his political adversaries, - not without a touch of humour -, for "giving all the credit for our economic development to divine Providence without giving the government its due share". Sir Wilfrid Laurier's flash of wit may well have been an indication of the important role played by our Society in certain areas as well as of the influence exercised on the masses by its active membership.

On the fiftieth anniversar— of its founding the number of conferences of the St. Vincent de Paul Society of Canada had increased to one hundred and four with a working membership of 4,677.

Then came the first World War. An examination of the records of the Society for that particular period provides a vivid picture of the ardour with which the members carried on their work of charity and of the unlimited energy displayed by the Society as a whole. With thousands of ople going hungry, various churches as well as some municipalities, including Montreal and Toronto, set up relief funds which were handed over to the St. Vincent de Paul Society with the randate to feed and clothe those in need.

The Society's activities went on simultaneously on many fronts. A striking example of the trust and confidence its members managed to inspire may be found in the following incident. When the Royal French-Canadian Regiment, - later to become famous as the "Van Doos" -, was posted to Amherst, Nova Scotia for final training before boarding ship for England and the European front, the people of that province by the sea were not exactly enthusiastic in their welcome. Stores were closed on the day of its arrival, the streets empty and what people could be seen wore expressions of impending disaster. However, a number of soldiers in the regiment had organized a conference of the St. Vincent de Paul Society whose members spent their off-duty hours distributing food and clothing to the poor of Amherst and the surrounding districts. The local population was not long in reacting to such dedication on the part of army personnel, and when, two months later, the regiment received its marching orders there was a distinct contrast in the town's attitude. A civic holiday was proclaimed to allow the entire population to escort the regiment to the railway station and both the

Mayor of the town and the local member of parliament rode on the train with the solliers as far as Halifax.

The historic Spanish flu epidemic broke out a few short months later. Members of the St. Vincent de Paul Society in Montreal under the leadership of their local president, Mr Kieffer, and stimulated by the example set by Abbé Maurice and their treasurer, Mr Valentine, refused to remain on the sidelines and, at the risk of contracting that terrible and often fatal disease, persisted in carrying on their mission of charity among the poor and the sick. Many of them gave their lives in the service of the stricken, and by their heroism gave testimony to the unselfishly charitable nature of the work carried on by the Society.

It was during this period that the St. Vincent de Paul Society, at the suggestion of Father Maguire, founded a house of refuge for the many social outcasts usually to be found in the immediate vicinity of the waterfront districts of Montreal.

On the eve of the Great Depression, records show that conferences of the St. Vincent de Paul Society had spread from one end of the country to the other and were active, besides the cities mentioned in the main part of our brief, in Pembroke, Sudbury, Hull, Valleyfield, Saint Hyacinthe, Thetford Mines and Chicoutimi. In 1927, with the limited means at its disposal the Society provided direct assistance to 6,214 Canadian families. In 1928, this figure

increased to 6,584 and, in 1929, to 6,830,

When the clouds codepression finally settled over the country and governments had to resort to direct relief, the St.

Vincent de Paul Society opened second hand conthing stores, organized sewing circles, kept the doors of its houses of refuge wide open to the thousands of unfortunate wanderers, providing some with a good hot bath and treating others to a blousing operation and a clean change of clothing, feeding the hungry, supplying layettes to needy expectant mothers and displaying an amazing versatility in filling as well as it could the many and varied needs of the ever increasing multitude of innocent victims of a faltering economy. In a single year of nation wide economic disaster, the Society provided direct relief to more than 49,500 persons.

Again in 1932, it was in the province of Quebec that the St. Vincent de Paul Society had to face its heaviest task. In his history of the St. Vincent de Paul Society of Canada entitled "La Plus Riche Aumône", Robert Rumilly writes: "In the province of Quebec alone, the number of persons assisted by the St. Vincent de Paul Society reached the estronomic figure of 228,000 and the amount of money distributed totalled close to three million dollars".

"Members of the Society", Rumilly further states, "sacrifice their own holiday periods. Usual methods of operation are drastically altered. Normally members collect and distribute funds within the limits of their respective parishes, retaining a small

percentage for the needs of the National Council. But during this period, funds were distributed by City Hall to the various Councils which in turn divided them up among the parish conferences. This statement alone suffices to help the reader get a better idea of the role played by the Society and needs no further comment.

Throughout its existence, the St. Vincent de Paul Society of Canada has had the good fortune of being able to count on an uninterrupted succession of leaders of exceptional calibre. It is impossible not to mention the names of several of those true apostles of charity and many chapters could be written on the remarkable career and sterling qualities of such men as George Muir, Augustin Gauthier, Raphaël Bellemare, Bishop Bourget, Father (later Cardinal) Taschereau, Doctor Louis Alphonse Dubord, Bishop Lafleche, Doctor Landry, Paul Ernest Smith, Narcisse Hamel, C. J. Magnan and Thomas Tremblay.

During World War II and the years immediately following, when Canada enjoyed a relative degree of prosperity, the St. Vincent de Paul Society, while continuing its mission in the service of the poor, had nonetheless more time to take stock of its basic objectives and to reassess the role it should play in a constantly changing modern society. It finally opted for a wider field of action. In recent years, in accordance with the teachings of the Second Vatican Council, the Society has given much thought to the problems of the many emerging countries and has adopted a system of twinning

some of its own Canadian conferences with those in the underdeveloped areas of the world.

By means of this twinning process the St. Vincent de Paul Society of Canada has been able to contribute directly to the success of several worthwhile projects in Latin America. In Faiti, for example, contributions from Canadian conferences made possible the building of silos for the protection of grain crops in some rat infested areas. In like manner, the work of the Ontario Provincial Council in the Dominican Republic has been outstanding.

Quite recently, the St. Vincent de Paul Society of Canada, following deep reflection on the mission entrusted to it by its founder, Frederic Ozonam, reached the conclusion that the most destitute among the poor people of this land are those unfortunate individuals, who are released from prison after paying their debt to society and who strive without much success to resume a normal existence. Such men are rejected by all members of society none of whom are willing to give them a second chance; their own families and friends consider them no longer worthy of trust and sometimes are actually afraid of them.

Mindful of this, the St. Vincent de Paul Society began to make plans for the establishment of half-way houses designed to help bridge the immense gap between the period of detention and complete re-integration into a normal social environment. In Cuebec, thanks to the co-operation of the Provincial government, the Federal Parole

Board, the Social Rehabilitation Service Inc. and the Fathers of St. Vincent de Paul, Judge Gerard Lemay, president of the National Council of the Society, ably seconded by his predecessor in office, Judge Thomas Tremblay, was successful in establishing the first of these half-way houses. In memory of the man who brought the St. Vincent de Paul Society to Canada, it was decided that the house of refuge for ex-convicts would be named La Maison Painchaud.

In Toronto, the Central (Archdiocesan) Council had for some time been giving some attention to the problem of the many juvenile transients passing through the city in search of employment. After lengthy discussions, numerous consultations and much hard work, members of the Toronto Central Council reached the decision that something had to be done to help these nomeless and often friendless youths, and in 1968, thanks to the timely contribution of a generous patron, they purchased and remodeled a spacious residence and founded St. Vincent's Home. This temporary refuge which can accommodate a maximum of fifteen young men, is first and foremost a place of shelter but over and above the board and lodging which is provided free of charge, an attempt is made to give these displaced adolescents the friendship and guidance which is seldom available in the big city and which some of them perhaps have never known. During a recent visit to Toronto, the national President and several members of the national executive had the privilege of visiting St. Vincent's Home where they met young people from British Columbia, Ontario and Quebec.

Such commendable initiatives may well act as barriers to the swelling tide of human needs which threatens to submerge our modern world.

It is also fitting to mention the work carried on in Halifax by the St. Christopher Home and the excellent co-operation which exists in Ontario between the St. Vincent de Paul Society and the St. Leonard Society in the latter's work on behalf of ex-prisoners.

We have so far attempted to give a brief description of the human features of the St. Vincent de Paul Society of Ganada. What defies description however, but still needs to be emphasized is the spiritual aspect which alone can provide a true image of the Society, a Society whose members, inspired by the example set by that great benefactor of mankind, Frederic Ozanam, in the true Christian spirit of love and charity, constantly strive to adjust their daily activities in line with Christ's command to "Love thy neighbour as thine own self".

The St. Vincent de Paul Society should not be judged solely on the assistance it has been able to provide and the services it has rendered to those we call the poor. In order to grasp its true meaning one must remember that the working members of the Society, because of the special training they receive, because of the unselfish motives which inspire their action and because of the worthwhile experience they acquire, are the ones who benefit

the most from their repeated errands of mercy. How often, volunteer workers, on their return from a visit to the homes of the poor, after having discussed their problems and attempted to find the right solution, have admitted that they received more help than they were able to give; that the poor often managed to teach them the true meaning of life; how, through strength of character, constant hope and love one learns to carry on under the tremendous stress of want and privation.

An organization of this type, whose members are in constant contact with the underprivileged of all categories, sharing in their sorrows as well as their joys, deeply involved in their daily problems and their efforts at solving them, must surely be in a position to take the pulse of this population with some degree of accuracy. Surely it can, and it must speak up for those who cannot speak for themselves. Surely it is justified in taking up the defence of the poor who are so often defenceless.

Pope Paul VI speaking to the International President of the St. Vincent de Paul Society recently declared: "We are living in the springtime of charity". We take this as meaning that there now stretches ahead of us a limitless field still to be explored, and that what has been done until now is but a prelude to the efforts we must put forth in the years to come.

#### THE ST. VINCENT DE PAUL SOCIETY

OF CANADA

### SUPERIOR COUNCIL

# National Executive

President : Gerard LeMay, Quebec (Quebec)

Consultants: Rev. David Lachance, Quebec (Quebec)

Rev. John F. Lynch, Point Edward (Ontario)

# Vice-Presidents:

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Eric Gosling, Ste.Anne de Beaupre (Quebec)
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Geo. C. Moffatt, Halifax (Nova Scotia)
Claude Nepveu, Montreal (Quebec)
Maurice Ouellette, Chicoutimi (Quebec)
Joseph Savard, Quebec (Quebec)
N. F. A. Scandiffio, Toronto (Ontario)
Art. Steadman, Vancouver (British Columbia)

<u>Directors</u>:

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Patrice T. Boudreau, Quebec (Quebec)

James Deane, Windsor (Ontario)

Frank MacDonald, Weston (Ontario)

Gerard Myles, Montreal (Quebec)

# Executive-Director :

Paul Goulet, Quebec (Quebec)

Secretary: Laurent Gagnon, Quebec (Quebec)

# Asst. Secretary

Lucien Cantin, Quebec (Quebec)

Treasurer: Claude Fortier, Quebec (Quebec)

### APPENDIX "B"

## THE WOMEN'S SUPERIOR COUNCIL OF CANADA

On January 27th, 1933, in the city of Quebec, Miss Alice Dussault organized within the limits of the parish of Sacred Heart of Mary, the first women's conference of the St. Vincent de Paul Society in Canada.

In order to make sure that the women's conferences would not merely act as a fifth wheel to the existing men's organisations, the late Cardinal Rodrique Villeneuve, then Archbishop of Quebec, before giving his official approval, laid down certain conditions among which were the following:

- 1 complete autonomy of the women's conferences
- 2 restriction of the fields of action open to the women's groups to the distribution of shoes, clothing and medicine.

The need to adjust to conditions of modern living has fortunately brought about considerable modification to such restrictive regulations. The closest type of co-operation now exists between the men's and the women's organizations although the latter still retain their full autonomy at the national level.

The national executive of the Women's Superior Council of Canada continually strives to foster in the hearts of the many volunteer workers a feeling of dedication and of spiritual involve-

ment in the human and social aspects of their work among the poor. Charity then becomes not merely the distribution of material goods but a constant effort at helping the poor to help themselves and to find a lasting solution to the problems and difficulties which brought about their present circumstances.

Through personal contact and fraternal relationship with the poor, through close co-operation with social workers and the various welfare organizations, it is often possible to provide the underprivileged with improved educational facilities and thus contribute to the full development of their physical, social and cultural potential.

The Women's Superior Council of the St. Vincent de Paul Society of Canada groups together 126 conferences with 950 working members and 453 members of sewing circles. They carry on their work of charity in the following dioceses: Quebec, Montreal, Joliette, Mont-Laurier, Ottawa, Hull, Sherbrooke, St-Hyacinthe, Ste-Anne de la Pocatiere, Chicoutimi, Saint-Jean and Moncton.

During 1969, Women's conferences of the St. Vincent de Paul Society distributed shoes, clothing and medicine, to the value of \$62,816.45, to 3,926 needy Canadian families comprising 5311 adults and 9771 children.

The countless visits to sick and disabled persons, both in private homes and in public institutions represent but one of

the hundred different ways in which women's conferences, through their working members, direct their untiring efforts at bringing relief to all types of sufferings be they moral, physical or spiritual.

### APPENDIX "C"

## THE POVERTY OF LEGAL ASSISTANCE

While society, to ensure the well-being of individual citizens, has found the means of setting up various systems of social welfare, (the latest being Medicare), with rare exceptions (Ontario and British Columbia), it has not yet found a way of making legal help generally accessible. Yet the reputation, the honour, the future, indeed the very life of many Canadians are often at stake in our courts of justice.

Although Bar Associations in our cities and major rural centres have made worthwhile efforts to make up for this deplorable deficiency, and numerous lawyers offer free legal assistance, between the immense need and the few positive steps taken, there is an ever widening gap which must be bridged, or at least narrowed down by means of a well organized system of legal help. All working members of the St. Vincent de Paul Society who have gained the confidence of the poor through their regular weekly visits, can testify to the many social injustices resulting from the lack of competent legal counsel. For reasons already mentioned such a statement applies only partially to Ontario and British Columbia.

The machinery of justice is mainly occupied in dealing with the poor, mostly as defendants, rarely as plaintiffs. Sooner or later, as parents, husbands or wives, buyers or consumers, as

tenants or even accused of infractions or crimes they become involved with the law. Poverty is often, if not always, at the root of their troubles. How can they possibly win in a court of justice, when most of them have no knowledge whatever of our legal system and its procedures and are completely ignorant of the law itself, while for them as for everyone else ignorance of the law is not considered a valid excuse.

From whom can the deserted wife and mother seek advice when her husband leaves her? To whom can a husband turn if he has a valid defence to offer when unjustly sued by an unfaithful wife? When life together has become truly unbearable, how can a couple terminate their union without the help of an attorney? Where could either find the money to cover the high cost of an action in separation or divorce?

Should not the unwed mother be aware of all the legal implications before she decides to give up her child for adoption? If she decides to keep the child, should she not be aware of the nature and extent of the legal handicaps involved both for the child and for herself? And if, as is her right, she wants to file a paternity suit, is she not greatly in need of competent legal counsel?

The juvenile delinquent, more often than not the product of a home broken up as a result of poverty, also needs legal assistance or he may be marked for life and more or less forced into the

life of a hardened criminal.

These, of course, are only a few of the countless reasons why the poor may become involved with the law. An experienced newspaperman to whom we are indebted for some of these very pertinent remarks, lists other causes as follows: (1)

High rents and refusal to rent to families with children certainly help drive the "have-nots" to the slum or semi-slum districts. Too often, they are obliged to rent at rates out of all proportion to their capacity to pay with disastrous and all too common results: eviction, seizure of furniture or salary, or even loss of employment, often the first step on the road to a prison term.

High pressure, house to house sale of goods that are, more often than not, useless or out of keeping with the real needs of the family, lead to indebtedness and thence, often to a court of justice.

The same may be said of purchases on the instalment plan which are often made under illegal conditions at prices out of proportion to the value of the goods or services obtained. Too many of these deals end up with seizure, loss of money given as down payment, and even legal action, adverse judgment and a court order to pay high legal and other costs.

Another cause of social ills, - especially poverty, - is
Easy Credit whose enticing benefits are extolled day in and day out
by the mass media. To make matters worse, this continuous harping
is aimed at a society that is rapidly sinking into such a state of
pleasure-seeking that a growing number of serious thinkers consider

there is a real danger of auto-destruction. As a fitting conclusion to this comment on Easy Credit we quote again our newspaper man.

"on the one hand the poor are being exhorted to lift themselves out of their poverty and on the other hand everything possible is being done to keep them the way they are". (1)

For the above reasons, the St. Vincent de Paul Society expresses the wish, - as it has done before the Prevost Commission of Inquiry into the administration of criminal and penal justice in Quebec, - that all levels of government directly concerned, will give priority to the solving of this problem of lack of legal assistance in a realistic way and will set up an effective system of free legal counselling in the more urgent civil, criminal and penal matters.

"There will not be equal justice for all as long as the means to obtain it are not available to all". Such was the conclusion recently reached by an editorial writer of the Montreal Gazette after quoting Mr. Maxwell Cohen, former Dean of Law of McGill University, as follows:

"Too often the poor see the law not as a friend, but as an enemy; not as an aid, but as an adversary; not as a remedy, but as an obstacle".

<sup>(1)</sup> Le Pauvre devant la loi - Paul Lachance, Le Soleil, May 1958.

### APPENDIX "D"

## POOR AMONG THE POOR - THE EX-CONVICT

The two basic needs of every ex-convict on leaving prison:

a place to live

a place to work (1)

First, a preliminary remark. The text that follows is not an attempt at writing a learned treatise but merely the simple ideas of humble individuals who believe in the Vincentian mission. We have honestly tried to put ourselves in the place of the exconvict in order to better understand his attitude towards society and possibly to arrive at a more realistic assessment of society's responsibilities to him.

We would thus like to consider briefly:

- a) what kind of people become delinquents
- b) what caused them to become delinquents
- c) what they need most upon their release from prison.

Following such considerations, we intend to give a short account of an organization founded fairly recently to help exconvicts readjust to an ordinary honest life.

a) What kind of people become delinquents?

The answer to this first question, as well as to the others, is given us by a distinguished member of the Bar, now retired, with a long standing reputation as a humanitarian and philanthropist who, for twenty-five years served as National President of the St. Vincent de Paul Society of Canada, Judge Thomas Tremblay.

"In my twenty-eight years experience as a judge" he states, "I have listened to the life history of countless prisoners. Underneath their outward diversity, nearly all of them have a common background, a life of poverty, in which education and affection were entirely lacking, and in surroundings that made the practice of honesty utterly impossible". (2)

b) What caused them to become delinquents?

The same authority answers our question as to who or what is responsible for conditions that make delinquency almost inevitable.

"By our actions", he says, "or our lack of action, we are all responsible. Some parents have simply renounced all authority and have reneged their responsibility on the easy pretext that children should not be thwarted. To this we must add the many other obstacles to domestic and educational stability, for instance, pornographic publications, films and songs whose circulation far from being limited is now encouraged by public authorities".

"Social injustice must also be recognized as a major cause of delinquency. Any student of sociology will accept as a fact that delinquency increases in direct proportion to poverty. Prisoners are often the victims of social conditions and circumstances over which they had no control and consequently it is everyone's urgent duty to do what he can to remedy the situation. One way of doing this is to extend a helping hand to those who have just obtained their freedom after serving a prison sentence". (2)

The Lord knows how much the ex-convict needs such a help-ing hand.

c) What they need most upon their release from prison.

While it is fairly easy to enlist public sympathy for a man while he is in prison, the situation is abruptly reversed as soon as he is let out after serving his time or being paroled. The general impression seems to be that such men are dangerous characters, anxious to revert, at the first opportunity, to their former ways. They are shunned, little attempt is made to contact them, much less to offer help. They are treated as pariahs, sometimes in much the same way as lepers used to be in former times.

And yet, as Judge Thomas Tremblay points out, a large number of those leaving our penal institutions have made excellent resolutions during their period of detention. All they ask is that society will help them to keep these resolutions. Leaving aside those few who have their minds set on resuming the activities that

led them to prison in the first place, and whose period of captivity has been spent in planning new crimes, let us try and walk in the shoes of those who, having broken the law, have reflected on their misdeeds and return to society firmly resolved to follow the straight and narrow path.

As they go through the prison doors for what they hope will be the last time, what are the thoughts and feelings predominant in their minds and hearts? First and foremost, there is a feeling of extreme happiness at being free at last. But this happiness is not without a certain degree of fear and apprehension. The newly freed man realizes that he is morally and physically weakened. Even though he may have been properly fed and have lived under reasonably good conditions of health and hygiene, life in prison has not afforded him the means of maintaining his normal strength and stamina. Lack of strenuous work and proper exercise have lowered his physical resistance. For months, maybe years, he has not known what it feels like to be free, he has had no opportunity to practice self-discipline. He feels that nobody will trust him and what is even worse, he does not even trust himself, having lost all his self-confidence.

Thus handicapped both physically and psychologically, the ex-convict is bound to meet serious difficulties in his attempt to regain a place in society. The fact that he is practically or totally penniless is no help to him in overcoming these difficulties.

The only reference he can give to a prospective employer is the criminal record he has just made official.

Until quite recently, released prisoners could never be free from the serious consequences of this police record which would follow them throughout their existence. It would even have survived them and remained in the official records as a blot on their memory. Most fortunately, this situation has been changed. The federal authorities are definitely to be congratulated on their humane gesture in diminishing the truly vexatious effects of the criminal record as well as on other decisions designed to help those who may have stumbled but are anxious to get back on their feet. (3)

The ex-convict has to overcome many more handicaps, not the least of which is the impossibility to put up the bond which many firms require of prospective employees.

But for the moment, we will consider the kind of home life he may expect to find upon his release. If he is married and, as so often happens, his wife has deserted him during his detention, he has no place to go. He may find temporary shelter with his relatives or with those of his friends who have not already crossed his name from the list of their acquaintances, but for how long? For the unmarried ex-convict the situation is hardly less painful. In most cases he is looked upon as the black sheep who has brought dishonour to the family, and is no longer welcome. If, on the other hand, his is the type of home which leads normally to a life of dishonesty

and crime, he is better off not to go back to it, that is, not if his intention to reform is well founded and if he needs support and encouragement in his efforts to make good.

Such then is the plight of the ex-convict at the time of his release. He has high hopes and is filled with good intentions. He is glad to be free and he feels that he has paid his debt to society. He is well aware of his weaknesses and the difficulties that lie ahead. In short, he faces exceptional difficulties with limited possibilities and an almost complete lack of self-confidence. If he is fortunate enough to be able to count on a family that is willing to help no doubt he will fairly soon get back on his feet. Such cases however are all too few. We are particularly concerned about the others, the overwhelming majority, who on their discharge from prison have no alternative but to walk the streets.

For these many others, the very first need is for a place to stay. There are, no doubt many institutions willing to help, such as the Salvation Army, the John Howard Society and others.

What they offer, however, does not even begin to answer the special needs of the ex-convict upon his release from prison. There should be a number of specialized half-way houses, where he will be warmly welcomed and where he will receive the attention and respect he has not known for so long. Here also, he should be able to consult specially trained social workers ready to give all the help he needs to adjust gradually to a normal life in society. This may

sound like so much wishful thinking, so many pipe dreams that can never come true. Such centers, nevertheless, really do exist.

Some of these half-way houses have been in operation for several decades in certain American cities. They also exist in Canada. In 1962, the Reverend T. N. Libby founded in Windsor, Ontario the first institution of this kind in Canada.

Like it or not, each of us is indeed his brother's keeper and this includes one's ex-convict brother. They have clearly
understood and accepted this precept, those who have voluntarily
undertaken the arduous and harrowing task of establishing and maintaining such rehabilitation centers for those who have erred but
show definite signs of a sincere resolve to start a new life. They
have also realized that when an ex-prisoner returns to a life of
crime it is always at someone's expense and that our own protection
as well as the interests of the ex-convict himself therefore requires
that we offer him all the help we can.

# LA MAISON PAINCHAUD - A PILOT PROJECT

It was to fill the first of the two essential needs of the newly liberated prisoner that La Maison Painchaud was founded in Quebec City on December 8th, 1967. Its purpose is to provide a temporary home for those who have none to return to, or whose home environment is such that they are better off away from it. It is managed by a corporation named "La Maison Painchaud Inc." after the man who introduced the St. Vincent de Paul Society in Canada.

The project itself was conceived and carried out by the Quebec Archdiocesan Council of the St. Vincent de Paul Society, which supplied the necessary funds to remodel an old building leased from the Quebec Catholic School Board and situated at 1, Simard St. in Quebec City. The official opening took place in March 1967.

The founding and successful operation of La Maison Painchaud was made possible only through the continued co-operation of
the many welfare organizations and government services, whose
respresentatives, along with several social-minded individuals,
provided without charge their services and counsel from the very
beginning. It is also fitting to acknowledge here the strong support received in the promotion and implementation of this project
from the information media of the city of Quebec. (4)

La Maison Painchaud has been officially recognized as a public welfare institution by an Order in Council of the Quebec Provincial Government and, since 1968, has been receiving reimbursement of operating expenses on a regular "per diem" cost basis. It is under the direct supervision of the members of the Order of St. Vincent de Paul, represented by Brother Etienne Després as executive director and Father Raoul Cyr as moral adviser.

The screening of prisoners entitled to benefit from its facilities is entrusted to the Social Rehabilitation Service Inc.,

which employs professional social workers. These same specialists continue to work in close co-operation with the executive director and his staff towards the full rehabilitation of all those who come to La Maison Painchaud.

The Social Rehabilitation Service Inc., was founded in 1946 by a group of citizens of Quebec and is subsidized under the Federal Provincial Program for Mental Health Services. It has helped countless juvenile and adult delinquents of both sexes.

In addition to providing ex-convicts with direct help in securing regular employment, La Maison Painchaud (on the initiative of Father Raoul Cyr its moral adviser), has organized its own protected workshop now known as "Les Etablissements du Gentilhomme".

Only former convicts are employed in this establishment and the ranaging director himself has been an inmate of our local houses of detention. "Les Etablissements du Gentilhomme" is now registered as a separate corporation and although limited at first to upholstery work, has recently set up a cabinet maker's workshop and other departments are expected to develop in the near future.

La Maison Painchaud is a member of the Saint Leonard

Society of Canada, which has its headquarters in Windsor, Ontario

and operates half-way houses across Canada. These are:

Scint Leonard's, Windsor, Ontario
Dysmas House, Kingston, ONtario
Saint Leonard Society, Brant, ONtario
Saint Leonard's, Sudbury, Ontario
Saint Leonard's, Toronto, Ontario
Saint Leonard's Society, Dartmouth, Nova Scotia
La Maison Painchaud, Quebec City, Quebec
Saint Leonard's Society, Vancouver, British Columbia

At least eight more are currently being set up, one of which, at Bramalea, Ontario, is sponsored by the St. Vincent de Paul Society.

La Maison Painchaud has already given shelter to 125 "boarders" very few of whom have returned to prison. The vast majority have in fact resumed a normal existence.

As we conclude these simple notes, we feel that it is our duty to express once again to the Reverend T. N. Libby, founder of Saint Leonard's House and of the Society of the same name, the deepest gratitude of the executive and members of La Maison Pain-chaud. His help and advice have been invaluable from the outset and continue to be most generously given and immensely appreciated.

### NOTES

- (1) Jack Dalton, LLB, founder and general-manager of: Pioneer Fellowship House, Gearing House, Ronald Hall and Pioneer Industries Inc. of California, who claims to be an alcoholic, an ex-convict and a disbarred member of the legal profession.
- (2) Judge Thomas Tremblay, national president of the St. Vincent de Paul Society of Canada. Opening speech at a public meeting organized jointly by the Quebec Diocesan Council of the St. Vincent de Paul Society, the Social Rehabilitation Service Inc., local representatives of the Federal Parole Board, Conseil des Oeuvres et du Bien-Etre du Quebec (COBEQ), on the theme "Our responsibility to the ex-convict". March 1967.
- (3) Honourable Ernest Coté, Assistant Solicitor General "New Guidelines for Courts of Summary Jurisdiction". Paper read before the John Howard Society, June 30th, 1970. Speech to the graduating class of the Criminology Center of the University of Ottawa, April 30th, 1970.

(4) We are especially grateful to Paul Lachance, editorial writer with the Quebec "Le Soleil" who for several weeks devoted his many talents to this cause, as well as to Odilon Arteau, former editorialist at "L'Action".

APPENDIX "E"

COMMENTS OF THE MONTREAL CENTRAL COUNCIL

OF

THE ST. VINCENT DE PAUL SOCIETY OF CANADA

#### 1 - GENERAL REMARKS

In the year 1970, when men have walked on the moon, the conditions of poverty and destitution which exist in Canada are absurd and unacceptable. Unfortunately they are only too well documented.

Poverty is relative. However, when individuals or families cannot obtain the bare necessities of life, poverty becomes a stark reality. Poverty means being ill and unable to pay for medical care; it means a child who cannot follow classes because he is undernourished; it means a man hunting for work to feed his family; poverty means being unable to find proper food, clothing and lodging for one's dependents; it means a successful student having to break off a course of studies for want of money.

#### II - SOURCES OF INFORMATION

The Montreal Central Council of the St. Vincent de Paul Society has based these comments on four different sources of information:

- a) A searching inquiry into the plight of 137 families currently being assisted by parish conferences.
- b) A study of 430 individual cases taking into account their most urgent needs when they first contacted the parish conferences.
- c) The combined observations of:
  - one of our group leaders and member of the executive of our Council.
  - 2. a woman president of a conference who is at present deeply involved in the work of the Society in an underprivileged district of the city.
  - one of our permanent officers, also a professional social worker.

All the above mentioned observations are closely connected with visits to the families of the poor and with daily work carried on in the latter's own environment.

d) Consultation of public reports of sociological studies in the public as well as in the private sectors.

### III - STATISTICS

It will be noted that in this brief statistical review the results of our inquiry into the situation of 137 families, percentages indicated, add up to a total of 179.9%. This is due the fact that in certain cases two or more factors are included.

The outstanding factor is the illness or physical disability of either the father or the mother. In practically every case, we find a complex social situation in which physical debility is combined with one or more other factors. There is also a correlation in all of the 137 cases studied, between the immediate or major causes and the remote or secondary causes. Thus, family and matrimonial problems constitute 13.8% of the immediate causes and 23.3% of the remote causes. Insufficient allowances or assistance while awaiting official welfare payments constitute 51% of the immediate causes and 54% of the secondary reasons. Low salaries are the immediate cause in 4.8% of cases and the remote cause in 8.7%.

The personal plight of those who filled out the questionnaire in most cases had its origin in the underdeveloped areas of our city, where fortunately, social motivation and the formation of citizen's groups have been particularly active in recent years.

#### IV - STATISTICAL ANALYSIS

In all cases, poverty appears to us to be not only material but also the result of a set of moral and psychological factors leading to vicious circles which must be broken. These factors may be summarized as follows:

- a) Lack of money
- b) Lack of stable matrimonial conditions
- c) Lack of personal and civic qualities
- d) Lack of motivation
- e) Lack of schooling or vocational training

All these factors are so interdependent that, if action is taken against one in particular, on an exclusive basis, no noticeable progress is achieved in the overall situation.

The principal causes of poverty, in order of frequency, were:

- 1. Physical debility of the parents 47.7%

  This debility results from a number of factors, viz.,
  - a) unsatisfactory living conditions during childhood;
  - b) malnutrition;
  - c) lack of regular medical care;
  - d) poor housing conditions.
- 2.. Insufficient schooling or preparation for the
  labour market 42.5%

This is generally due to the following factors:

- a) difficulty of access to school and training facilities;
- b) a traditional belief that a child should leave school as soon as he is old enough to

go to work, at sea, in the woods, on the farm, in factories or even at the corner grocery or hardware store;

c) lack of money.

As a result of all these factors, a large proportion of heads of families and young men under twenty-five years of age, become dependent on social welfare benefits, because they are never able to qualify for permanent or well-paying jobs. Deeper and more complex reasons are linked with traditional beliefs and attitudes and arise from the lack of material resources in the family which often considers itself under obligation to send a child prematurely into the labour market in order to obtain an immediate increase in its level of income.

Moreover, since conditions in underprivileged areas are not conducive to intellectual development, a child is inclined to look down on the so called benefits of higher education. He becomes a repeater or, having been insufficiently prepared for school, is backward before he even starts. Owing to cramped living quarters, study conditions are deplorable. Want of vocational guidance results in a lack of motivation, because the child, a born imitator, cannot copy what he has never known.

3. Matrimonial problems

23.3%

The percentage indicated increases by five or ten points if widowhood is included.

Matrimonial difficulties arise from many causes. Almost all factors which contribute to the creation of a situation of poverty, and particularly, laziness or apathy of the breadwinner, illness or physical disability, alcoholism and lack of money, have a direct bearing on the frequency and seriousness of marital problems.

Initially, marriages are no more prone to failure among the underprivileged than they are in any other class of people.

However, since the underprivileged are less concerned about the maintenance or loss of social status or reputation they tend to develop a greater freedom of action and often react more violently as a result of minor differences.

4. Indifference of family and social environment 10.9%

Published results of social inquiries (such as the Boucher report) have revealed the existence of entire clans of welfare dependents within one family stock; for such people, living off social welfare allowances is the normal thing to do. This is the "beggar" mentality denounced in the Boucher report.

As for social environment, more particularly in the metropolitan "grey zones" and certain notoriously backward rural areas, we are faced with groups of families whose existence is marginal in relation to the prevailing economic activity and to all other local motivating values. Less than 3% of the families interviewed are satisfied with their present condition. In other words,

over 97% of these families consider their situation abnormal and hope to improve it.

The families themselves are fairly hesitant when it comes to suggesting ways and means of improving their situation. 21% said they would like to find permanent employment; 2% would wish for a more stable matrimonial situation or a happier married life; 18% ask for an increase in welfare benefits; 2% would settle for an increase in income; 1% suggest various other means, such as medical care, work for the children and the mother, professional advice from trained social workers, etc.

## 5. Alcoholism 10%

Here we have a complicated situation where, very often, people drink to forget their problems and thus create a further series of problems as a result of their drinking. Specialized clinics and preventive therapy are the only ways to help those who are at grips with this problem.

#### 6. Indolence or laziness of the father

Among those who are lazy by nature, a certain number are psychologically unmotivated for their work. Others have lost all incentive to work by reason of derisively low wages, frequent layoffs, job insecurity and often shameful exploitation by unscrupulous employers. These men eventually and naturally come to prefer the greater security of a regular social welfare cheque.

7. Migration to an urban area

These cases are among the most pathetic. Generally speaking they refer to individuals or families who migrate to the larger urban centers in the hope of starting a new life. Unfortunately their hopes are soon dashed and in effect they become doubly handicapped. Through lack of education and training or want of a trade, they are unfitted for the existing conditions of the labor market. Being totally unaware of some of the facets of urban living they usually are an easy prey to loan sharks, high-pressure salesmen or others of that ilk.

8. Possession of a police record

(See Appendix "D")

#### V - SUGGESTED SOLUTIONS

1. Illness or physical disability and lack of formal education or preparation for the labor market. Solutions in this case must be considered under two separate headings: preventive and remedial.

# a) Preventive

Referring to the factors enumerated in our analysis of the causes of poverty, specific remedies must be devised in each case; physical conditions must be provided that will result in the interested and productive attendance of

vided.

children in schools; facilities must be made available for the discovery, diagnosis and treatment of medical disorders; special areas must be set up to control the sources of food and ensure that it is available in sufficient quantity as well as in quality; housing conditions must be improved, parks and open spaces made available, provision and encouragement of competitive sports, special training and adequate pay for teachers and some means of discovering and controlling disease and addiction to drugs must likewise be pro-

The creation of special areas will imply:

- schools with extracurricular services
  adapted to the specific needs of each area;
- special medical services (clinics, hospitals, etc.);
- information centers;
- cultural and recreational centers;
- integration of essential community services;
- dynamic action on the regional economy conducive to increased employment;

- professional service centers (lawyers, budget consultants, social workers, psychologists, etc);
- religious institutions with appropriate pastoral activities.

# b) Remedial

The solution to problems of environment is effective only insofar as it is integrated into a coordinated plan of social (redress, and to the
extent that the people concerned are induced to
participate actively in the search for, and
application of said solution.

We seriously question the somewhat inconclusive though costly results of certain projects initiated by the Federal government for the re-education and especially the re-training of unemployed workers. It seems to us that insufficient consideration is given to the natural inclinations of the individual, and hence to his normal chances of success in a given trade or occupation.

# 2. Matrimonial problems

We would rather leave discussion of this subject to the spiritual advisers of the Superior Council of the Society. We wish to point out, however, that these problems are very often the result

with in this Brief.

of an unfavourable conjunction of the many factors which are dealt

### 3. Indifference of the social environment

The problems created by the lack of concern or indifference of the social environment cannot be considered independently of the total social problem. Several aspects should be tackled and the struggle waged on several fronts simultaneously. Perfect co-ordination between government and private efforts is essential from the start. We must not, however delude ourselves as to the amount of time it will take to change the collective attitude of the population of a given area.

#### 4. Alcoholism

Among the professional services made available in a given area, there should be, either as a separate department of a medical clinic or as an autonomous medical unit, a centre for the detection and treatment of alcoholism, working in close co-operation with existing organizations such as Alcoholics Anonymous, the Lacordaire Association, SMASS, OPTAT and others.

#### 5. Indolence and laziness of the father

Increased efforts should be made in the private sector, among other things persistent attempts on the parts of trade unions to extend the benefits of collective bargaining to the thousands of non-organized workers at the mercy of unscrupulous employers. Private companies should be more conscientious in their observance of

the Minimum Wage Act, and more attention should be given to the general welfare of the workers. At the various levels of government several measures could be implemented, viz.,

- payment of supplementary income to workers in designated zones and to those whose income is subject to extreme seasonal variations due to climatic conditions;
- accelerated implementation of the Designated Zones program so as to stimulate the economy and wipe out unemployment.

# 6. Recent migration to an urban center

Regional manpower personnel and welfare agencies should provide adequate information for persons who wish to migrate, or have recently migrated to the larger urban communities. This problem is intimately related to the current stagnation in the fields of agriculture, forestry and fisheries, in other words to the backward economy of some of our underdeveloped rural areas.

#### VI - CONCLUSION

The majority of those questioned during May and June 1970, seem to recognize a relationship of cause and effect between the current recession, (unemployment, credit restrictions), and their present difficulties.

anent lot of a considerable number of families and individuals, it may undergo extensive fluctuation in time as well as in space. Many families may live on the threshold of poverty during a period of relative prosperity and then find themselves in the midst of inextricable difficulties when there is a slackening of the economy.

Numerous studies also have shown that in a single country there are urban and rural zones of low economic activity and rate of growth.

In such cases, one may speak of economic disparity. It is evident that for many reasons, poverty and pauperism are more likely to develop and spread in these underdeveloped areas.

Many sociologists, intellectuals and philosophers agree unanimously that our young people are right in contesting a contemporary society in which the dollar sign has a practical and symbolic value greater than that of the cross or the dove of peace. The era we live in is characterized by the frantic race for the pseudoefficiency which enables the giant enterprises to accumulate ever greater profits. Not only is automation pushing man aside, but the merciless war being waged between enterprises without any consideration for the laws of economics, is killing off the small tradesman, eliminating the craftsman, and helping year after year to lay off honest and competent workers with many years of experience and devoted service.

There is one popular saying which has become so commonplace that we no longer pay it any heed, namely that the gap
between the rich and the poor is constantly widening. For proof
of this we have only to examine the assets of our multi-million
dollar corporations and the holdings of their directors and principal share-holders, and on the other hand, the growing proportion
of our population whose annual income is far below what economists
and sociologists call the edge of poverty or the minimum living
wage. Without too much risk of error, one may well say that our
present day society is very sick. Who will find out if there is
a cure?

#### QUESTIONNAIRE

Family: (respect anonymity)										
City, Town, County	Province									
Conference Particular Council:										
Composition of family: Father Yes No	If a person living along check in box									
Mother										
Number of dependent children										
QUESTIONNAIRE PROPER										
1 - Immediate reason for the family's request for assistance:										
Unemployment	Use of Alcohol:									
Sickness	by Father									
Insufficency of Welfare	by Mother									
Delay in obtaining Welfare										
Others (specify)										
condition of poverty of the family										
a) Matrimonial problems	h) Apathy (indifference) due to environment									
b) Alcoholism Father Mother  c) Physical debility Father	i) Police Record									
c) Physical debility Father Mother d) Insufficient schooling	j) Unfavorable economic conditions									
e) Indolence (particularly of Father										
f) Unprepared for Labor Market										
g) Recent settlement in city or town	1_									
NOTE: You may check more than one squ	are, if in your opinion there									

are several fundamental reasons.

3	_ :	Dces	the f	amily (	or indi	vidual	)				
	a)	Acce	ept hi	s situa	tion		yes		no		
		Expl	ain .	• • • • • •	• • • • • •						
				• • • • • •						• • • • • •	
	ъ)	Cons	sider	his/her	situat	ion non	mal	yes		no	
	c)	If t	the an	swer to	b) is	NO:					
		To w	rhat m	ain fac	tors do	es he/s	she attr	ribute	this u	msatisf	a.c.—
		tory	r situ	ation .							
		• • • •	• • • • •		• • • • • •				• • • • •		• • •
		• • • •	• • • • •		• • • • • •				• • • • •		
		What	solu	tion do	es he/s	he sugg	gest to	correc	t the	situatio	on?
				• • • • • •	• • • • • •				• • • • •		
				• • • • • •	• • • • • •					* * * * * * *	
4	-	Does	this	family	conside	er that	it is a	viving	the ch	ildren	
			they								
		Yes		No		If not	t, what	are th	ey lac	king?	

5 - Sum up, in less than 50 words, your opinion of this case

#### BRIEF TO THE SPECIAL SENATE COMMITTEE ON POVERTY

from

THE TOWN PLANNING INSTITUTE OF CANADA

June 1970

## 1. Objective

The purpose of this brief is two-fold: Firstly, it is to affirm the concern of TPIC with the issue of poverty in Canada as one of the foremost problems facing our society. Secondly, it is a purpose of this brief to reaffirm the importance of considering together the economic, social and physical aspects of poverty; and to stimulate interest in seeking integrated rather than compartmentalized approaches in economic, social and physical planning for the alleviation and ultimate erradication of poverty.

2. <u>Urban Poverty</u> — is the particular concern of this brief.

In November 1968 the TPIC presented a statement to the

Task Force on Housing and Urban Development in which were
discussed broad issues concerning the rapid urbanization
trends in Canada. (Please refer to Appendix A of this
brief for the text for the statement). Clearly, a major
challenge in combatting poverty during the next decade will
be in so planning our growing urban centers that they may
meet more adequately the needs of disadvantaged groups
of people. Hopefully, the forthcoming Urban Policy for
Canada will include within its terms of reference scope
for the implementing of anti-poverty programs.

## 3. Definition of Poverty

Poverty is the economic inability to achieve or maintain minimum standards of housing, nourishment, education, and medical care; and the lack of access to other goods and services commonly available to the community or the society at large. Poverty is a condition of relative deprivation whose definition in absolute terms varies with place (whether urban or rural, or affected by special regional resources or problems); and with time (for example people with fixed incomes are more vulnerable to poverty in times of inflation).

## 4. Categories of the Poor

People who suffer from poverty constitute a highly heterogeneous part of our society representing various ethnic, age and occupational groups. Two major categories of poverty seem useful from a planning standpoint. The first is the near-poor who manage to retain financial independence but whose standard of living falls below that of the general community. The second category consists of people who are chronically impoverished and constitute the hard-core of poverty including long-term dependence on public assistance, and residing in the lowest standard of housing.

- others, skilled workers who have become technologically displaced and for whom new employment opportunities are inadequate to meet earlier earning and living standards; the poorly educated and inadequately trained who work for small salaries and are highly vulnerable to unemployment; some members of racial minority groups who are subject to job discrimination and lower pay; women with families to support, who are also subject to job discrimination and lower pay; and unemployed employables for whom neither adequate employment opportunities nor adequate unemployment compensation exist.
- 6. The category of the hard-core of poverty -- includes people with very limited or no longer existent private resources, who are for various reasons unemployed for long periods of time. They include those who are not yet employable (dependent children and the deserted or widowed mothers of very young children); people who are no longer employable (the aged, and the chronically and severely ill); and the partially unemployable -- people with severe physical and/or mental handicaps who need special conditions of work (e.g. sheltered work shops for the blind, crippled, and the severely emotionally disturbed).

# 7. Implications for planning for the near-poor

Because of their marginal position on the labour market. the near-poor are highly vulnerable during periods of high unemployment. They are the most likely to lose or to fail to obtain jobs and the least able financially to independently endure a period of unemployment. Their limited earnings also tend to make them vulnerable in times of personal crises. During times of illness, bereavement or special financial strain, the distinction between being near-poor and impoverished is very easily obliterated. In considering the needs and potentials of people in this category, stress should be placed on preventive measures which could make it possible for them to move towards greater security and assured independence, rather than to be perpetually threatened by slipping over the brink into impoverishment and dependence. A twofold approach is suggested; to increase employment opportunities on one hand, and to provide programs of upgrading marketable skills, and of teaching new ones.

8. Increase in employment opportunities — a co-ordinated effort should be made to create more employment opportunities for the marginal labor supply. From a physical planning standpoint, much could be done to encourage labor-intensive industry into areas near population concentrations of the near-poor. The poorer the socioeconomic group is, the more important it becomes to

locate places of work near or easily accessible by public transportation to place of residence. Conversely it may also be feasible to locate lower-cost housing integrated among the more affluent suburbs, near industry. Onus should be placed on, and perhaps incentives given to industry to maintain a wholesome living environment within the framework of an overall regional or community plan for the area. Perhaps special subsidies or other incentives could be offered to industries which are willing to take into account the community's needs for jobs with adequate wages and for an unpolluted residential environment.

9. Programs for upgrading or increasing skills -- are a necessary concommittment to measures which seek to provide more employment. These should move beyond technical training only to encourage and help people of less advantaged socio-economic backgrounds to acquire some of the social and intellectual skills which could prepare them to compete more adequately on the labour market. Educational programs of this broader type would perhaps be particularly valuable to younger people, and to women who, as mothers, could become better prepared to influence their families. Programs of the Better-start or Headstart type, which seek to prepare the pre-school aged children of disadvantaged people to cope more adequately with elementary school appear very promising. Two extra advantages of these programs are their attempts to involve the parents of the children, thereby providing them with new learning possibilities and in some instances, with jobs.

- 10. Implications for planning for the hard-core of poverty In considering measures to aid people within this category. remedial as well as preventative approaches seem necessary. Where dependence on public assistance is necessary, there is a major problem of maintaining even the barest minimum of living standards on fixed and inadequate incomes. Housing is another major, perennial problem. Although many people in this category are unemployable (the very young, the aged, the severly disabled or chronically ill) many others are capable of certain types of work and eager for it, but need special assistance in job training or job location. A major challenge, applicable to both categories of poverty, lies in breaking the cycle of poverty by extending special help and facilities to the young which will enable them to compete more successfully in the mainstream of our society, as they mature. Four major approaches appear indicated:
- 11. Adjustment of fixed incomes —— to meet more realistically existing costs of living. In addition to specific economic measures this may entail the long term complex task of reeducating public attitudes to view poverty as a byproduct of certain aspects of a modern industrial society (urbanization, rapidly changing technology and unemployment) which are often beyond the control of people affected by it, and not due to some individual fault or inherent moral weakness. Deep-rooted negative attitudes of the public towards social welfare are reflected in welfare policy and legislation, with a resulting general tendency to provide minimum rather than adequate levels of financial

aid to those who cannot support themselves. The underlying rationale appears to be a concern that more adequate aid would sap morale and lower the incentive to selfsufficiency. Such reasoning, reminiscent of the Poor Laws, does not take into account the impossibility of employment for certain people, and the lack of employment opportunities for others. Nor is it sufficiently widely recognized that life at a bare subsistence level is depressing rather than stimulating to incentive. A major factor in the prevalence of negative attitudes towards the poor, is the fact that people simply do not understand the nature and magnitude of poverty and the socio-economic conditions associated with it. A vital public information program concerning poverty would be helpful. Efforts to involve people of various ages and walks of life in certain aspects of anti-poverty programs could lead to a better acquaintence with the poor as fellow-citizens rather than merely as statistics or abstract problems.

12. Provision of adequate low-cost housing -- near sources of jobs and transportation routes and the improvement and safeguarding of existing low-cost housing is of prime importance in combatting poverty. The adverse effects of substandard housing on the physical and psychological health and on the morale of its inhabitants have already been studied and described by social scientists and by members of the helping professions. Poor housing may contribute to physical illness and to emotional stress. It affects a persons's perception and evaluation of himself and of the contribution he can make to society.

Inadequate housing can seriously affect the ability of children and youths to study successfully and to relate with confidence and with self-respect to more advantaged peers.

13. Urban Renewal -- policy should be concerned not only with the redevelopment of blighted areas, but equally with the consequences of these physical improvements for the people residing within such a community. Improvement of physical aspects of slum areas should not be made at the expense of destroying low cost housing and job opportunities upon which people have depended, unless they can be satisfactorily replaced. It is most important in this area for the physical and social planners to establish common objectives and to make co-ordinated efforts in order to assure that the removal of one slum does not merely result in pushing underprivileged people into creating another slum area elsewhere. It is very difficult but nonetheless crucially important to plan with people and not only for them. Though the process may be cumbersome and at times discouraging, efforts should be made to prepare plans and programs which would utilize a neighbourhood's own assessment of its basic requirements and problems. This may involve compromises distasteful from the standpoint of ideal standards of utility and design. However, it should be borne in mind that the basic needs of people (for economic security, and for a sense of self-dependence and vital involvement in society) must be met, before they can appreciate and make best use of good physical design and

the cultural amenities generally appreciated by more advantaged members of society. (Appendix B of this brief offers an example of planning for Indian Reserves in an urban setting in which efforts were made to work closely with the Indian people and to incorporate some of their own ideas).

- 14. Employment opportunities for the limitedly employable -could be extended through co-ordinated efforts of manpower programs and land use planning. Sheltered workshops for physically or emotionally handicapped persons can have an intrinsic value for these people as well as an economic one for society (an example of a proposed sheltered workshop and recreation complex proposed for the Victoria Region, B.C. is described in Appendix C. Noteworthy is the co-ordination of effort by government representatives private welfare organizations and physical and social planners.) The location of day-care centers could, with adequate planning, serve three purposes. Single mothers of young children would be enabled to seek employment. The operation of such centers could provide employment for a number of individuals. A day care center setting is well suited for a Head Start type of pre-school education program which has great value in preparing less-advantaged children for elementary school and for generally integrating tnem into the mainstream of the community.
- 15. Adequate public services and facilities for low income residential areas should be a major planning goal. Not

only should there be attempts to equalize the quantity and quality of such services with those available in more advantaged urban areas but where possible even superior services should be planned in an effort to compensate for some of the deprivation of low-income living. Preventive physical and emotional health services should be stressed in view of the well-known correlation between poverty and physical and emotional illness. Excellence of school and park facilities coupled with special educational and recreational programs could be useful in helping children and young people to break out of the vicious cycle of poverty.

16. Assessment and co-ordination of existing anti-poverty and other Federal-Provincial assistance programs -- is recommended in order to avoid duplication of effort, and to increase their effectiveness. Before further programs are developed it would seem desirable to analyze the objectives of each program and the means of fulfilling these objectives. Possible relationship between the various programs should also be studied in order to gain better co-ordination among them.

Appendix A 🕻

Statement to the Task Force on Housing and Urban Development from Town Planning Institute of Canada

Appendix B ;

Pauquachin Indian Community Planning Study, 1968.

Appendix C :

Activity Center Complex, Victoria Region British Columbia

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#### BRIEF SUBMITTED TO THE SPECIAL SENATE COMMITTEE ON POVERTY

by

# MANITOBA ASSOCIATION \* TOWN PLANNING INSTITUTE OF CANADA APRIL 1970.

#### 1. Objective

The objective of the brief is to analyze the relationship between urban poverty, the main concern of the Special Senate Committee, and <u>urban physical</u>
<u>system</u> with which the planning profession has been traditionally concerned.
This analysis hopes to shed some light both on the development of urban policies, leading to the reduction of urban poverty and the improvement of the quality of urban life; and also on possible contributions which the planning profession is able to make to the accomplishment of this aim.

#### 2. Poverty defined

Poverty is a state of relative deprivation of opportunities for self-realization. Given a specific community at a specific time, it is possible to define poverty in absolute terms based on a general notion of subsistence held at large by the community. Such is the definition of poverty put forward by the Economic Council of Canada. Although the use of an absolute dollar value as a cutting-off line gives a convenient instrument for policy guidance, it should be remembered that money is relevant only insofar as it determines access to opportunities which make humanly significant activities possible. Low income should be considered as a symptom rather than a cause of poverty.

#### 3. Multiple dimensions of poverty

The relative deprivation of opportunities can be measured in many dimensions. The first and most obvious is the economic dimension. To the extent that the opportunities must be purchased in the market place, poverty can be measured by the amount of one's disposable income and assets. The inequality of access to such basic services as legal aid, nealth care, job training and, most important of all, education, adds yet another dimension. The voice of the poor has seldom reached the political arena with influence.

<sup>\*</sup> J.Lehrman, Secretary-Treasurer, Faculty of Architecture, University of Manitoba. Winnipeg 19.

The opportunity for political participation is another vital dimension as the distribution of well-being in our society is increasingly affected by political decisions. The last dimension deals with less materialistic elements such as social status and one's self-image. The perpetuation of this self-image breeds the culture of poverty. The four dimensions mentioned here are economic, political, socio-psychological and that of the access to basic urban services.

#### 4. Urbanization trends

It is estimated that more than 80 per cent of Canadians will live in urban centres of 1,000 and more within the next five year period. This suggests that the poverty problem in the immediate future in Canada will be predominantly "urban" in character. Even in a poor region, the majority of the poor would be living in urban centers within that region. How successful we are in our efforts to reduce poverty in Canada in 1970's therefore largely hinges on our understanding of what may be termed "the urban opportunity structure".

#### 5. Urban opportunity structure

The existence of poverty is a failure of one of the essential functions of urban centers. Based on this perspective, the objective of the fight on deprivation should be to mold the structural conditions of the city so that all the individuals living in it are provided with equal opportunities for self-development. This leads to strategies for changing institutions rather than individuals. It is fair to say that the traditional welfare approach to the problem of poverty is based on strategies for changing individuals through the delivery of special services. These two strategies should be complementary to each other in a manner somewhat analogous to the relation between preventive and curative medicine.

#### 6. Physical environment

The urban opportunity structure is to a great extent tied into the urban physical arrangement for which the planning profession is primarily responsible. The opportunities for jobs are limited by the distance and the means of transportation. The spatial distribution of various basic urban service institutions is inequitable from one area to another. Poor housing not only takes away a big slice of one's meager income but also becomes an extension of one's self-image. Notwithstanding, little has been known about this link between the urban opportunity structure and the urban physical environment.

#### Urban renewal

The failure of urban renewal to upgrade the quality of life in Canadian cities is a good example of our inadequate knowledge about this link. Urban renewal as we see it today, is heavily oriented towards the improvement of physical appearance rather than to the self-development of people. A new concept of neighborhood renewal through local participation should be developed for the improvement of the quality of life in deteriorating areas of the city. The scope of the concept should not be limited to physical improvement alone but should be extended to all the dimensions of deprivation.

#### 8. Public Housing

Large-scale public housing projects have been often criticized for their institutional appearance and their inadequate consideration of the life-style of their residents. The ultimate objective of public housing should be not so much to provide "decent and sanitary" housing for low-income people as to provide an adequate opportunity for them to participate in the main stream of the economic system through self-development. The urban opportunity structure is dependent not only on the decent and sanitary dwelling unit but also on a variety of supporting urban service institutions, such as nursery, day-care center, job training center etc. It is absolutely essential that all the various efforts towards the elimination of poverty be co-ordinated.

#### 9. Co-ordination

One of the key factors for the success of any anti-poverty program would be the co-ordination of various inter-related measures. Area-wide co-ordination has been one of the main concerns of the planning profession. Although our present knowledge of the relation between the urban opportunity structure and the urban physical system is less than adequate, we believe this area-wide co-ordination for the equitable opportunity structure is the key for the long-term success of our anti-poverty program.

#### 10. Illustrations

The following two figures are added to illustrate the absolute necessity of area-wide co-ordination of anti-poverty efforts. One of the foremost reasons of this is the uneven distribution of the incidence of poverty within an urban area.

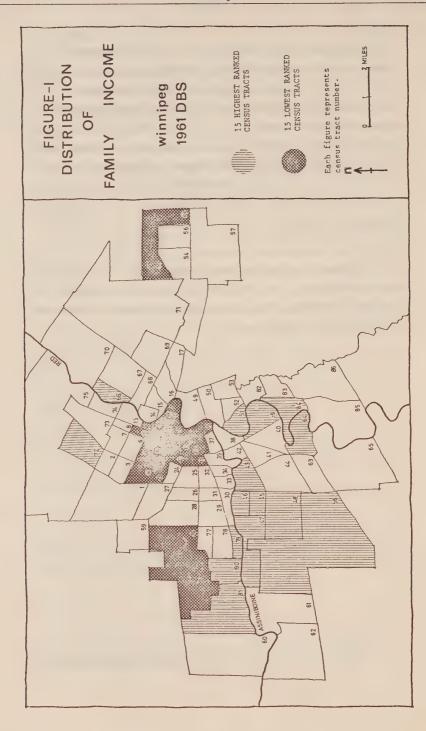
#### 11. Figure 1

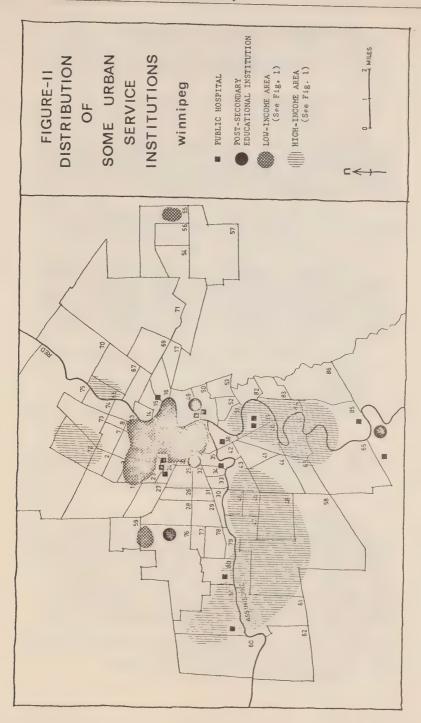
Figure 1 shows the geographic distribution pattern of wage and salary income per family among census tracts in the Winnipeg area according to the 1961 Census. The dark areas indicate the 15 lowest ranked census tracts in terms of family income. The population living in these tracts composed approximately 10 per cent of the total Metropolitan population. The hatched areas, on the other hand, represent the 15 highest ranked census tracts in terms of family income. The population in these tracts composed approximately 17 per cent of the total Metropolitan population. The general pattern of income distribution in the Metropolitan area as illustrated in Figure 1 has not been essentially changed since the Census.

#### 12. Figure 11

The geographic distribution of major public hospitals and post-secondary educational institutions is illustrated in Figure 11 as a demonstration of inequitable distribution of basic urban service institutions. A generalized form of Figure 1 is shown in blobs.

W.Bloomberg, Jr. and H.J.Schmandt ed. Power, Poverty and Urban Policy, (Beverly Hills, California: Sage Publications, 1968) p.24.





BRIEF FOR CENTRAL ONTARIO CHAPTER TOWN PLANNING INSTITUTE OF CANADA

TO BE PRESENTED TO THE SENATE COMMITTEE ON POVERTY

"This mournful truth is ev'rywhere confess'd-Slow rises worth, by poverty depress'd."(1)

The members of the Central Ontario Chapter, Town Planning Institute of Canada, recognize that the problem of poverty is one that touches on a great many aspects of life within the community. It has complex and difficult ramifications that go well beyond the areas in which the members of this Chapter are particularly proficient.

It is proposed in this brief to confine comments to those areas in which the members of the Chapter have experience, in the hope that the comments offered may supplement the submissions of others whose knowledge is in different areas of the field.

It is also recognized that there is even difficulty in defining the cases that should come under the heading of poverty. While some instances may be considered to be examples in an absolute sense, a great many others are relative - people being impoverished compared to others or to the circumstances that are considered to be acceptable for them. However, in this brief, no attempt is made to define or classify poverty in this way.

The headings under which the issue is considered are:

- The Prevalence of Poverty The Conditions of Poverty
- 3. Programs Pursued to Combat Conditions of Poverty
- 4. Problems of Eliminating these Conditions
- The Planning Consequences of Eliminating Poverty

By no means run in debt; take thine own measure. Who cannot live on twenty pound a year, Cannot on forty, "(2)

"The poor shall never cease out of the land."(3)

#### The Prevalence of Poverty: 1.

In the course of their work, members of the Planning pro-fession become conscious of the problems of the large numbers of people in our society who suffer from poverty. These may be elderly people without any income other than the Old Age Pension or many classes of people who are eligible for welfare relief. However, it is also noticeable that there are a great many people who appear to receive little or no public assistance and whose conditions are also very poor. Single people, particularly men below the age at which they become eligible for an Old Age Pension, may be in dire circumstances if they

<sup>(1)</sup> 

<sup>&</sup>quot;London" Line 176 - Samuel Johnson
"The Church Porch" Stanza 30 - George Herbert
"Deuteronomy" VIII, 3 - Old Testament (2)

<sup>(3)</sup> 

are unable to find employment. Even some of the employed who are paid very low wages, possibly even below the minimums specified in law, are frequently faced with a severe suruggle to survive. In all of these instances, even where welfare assistance is received, the general situation is that people appear to be living at a minimum subsistence level.

While there are substantial concentrations of poor people in certain areas of our cities, there are also examples to be found widespread in many areas, and it is notable that some of the worst conditions occur in rural areas outside the cities. These may be places to which people have gone because living seemed to be cheaper, only to find that the cost of continuing to operate, particularly if they have to work in the city, is quite high. In other instances, the rural communities are stagnant, or even declining, and the economy as a whole is at such a low level that people are simply hanging on as the community expires. Rural poverty may seem more slow paced, even romantic but it is just as real as in the cities.

There is also probably a higher proportion of those who are marginally self-supporting in the rural areas.

In dealing with the poor, planners become very conscious of the human qualities of these people. There is a very wide variety and it is not surprising to find well represented among them the people to whom society pays a considerable amount of attention. There are those who have limited mental or physical capacity; those who have grown up in poverty and have carried on in a way of life that they have always known; others do not know how to operate in society so as to better their lot. But there is also a hopelessness which can probably best be expressed by saying that we have not yet conceived of a society in which everyone can succeed. It is almost inevitable that within a society whose spectrum runs from success at one end to failure at the other end, we are bound to have a significant proportion of failures who will live in poverty.

Among those who exemplify this problem today are those persons, mainly men, who have become obsolete as labour in our society and who face a hopeless prospect of ever again being able to fulfil a useful and profitable role in society.

It is true that there is a small number who appear to choose to be poor. Traditionally the tramps and hobos have selected this form of life, although even they appear to have had little choice. They represent a fringe of our society which generally causes little or no harm and can well be tolerated as a safety valve for some individuals with quite eccentric personal needs.

A great deal has been said and written about welfare habituees who have made it a way of life to live off the welfare systems. Such persons do exist but their numbers are very small. It is a form of life that people seem to be happy to keep out of, provided they learn how to do so before they know of no other way. Few people appear to be able to accept this as a reasonable form of living.

In recent years a new form of welfare poor has arisen in the rebel elements of society, who choose to live as hippies, or in other similar manner, rejecting the idea of exerting themselves to improve their economic position. To some extent these people appear to follow the traditions of rebels of previous ages but they are probably to a greater extent an expression of the affluence of the present day society in which they can live reasonably well without engaging in the normal means of earning

a living. Generally these people know how to live in society in this manner that they have chosen.

All of these groups of the voluntary poor, however, are relatively small compared to the large numbers who are poor, apparently mainly because that is their lot in our society.

#### 2. The Conditions of Poverty:

"Living from hand to mouth."(4)

Planners are made very much aware of the conditions in which the poor live, especially in undertaking such assignments as urban renewal studies. There can be no doubt that the way a poor family or individual will live may vary greatly, depending on the attitudes and efforts of the individuals. Some will keep their homes clean and tidy, and even somewhat attractive, while others will live in squalor. But there is equally no doubt that poverty imposes a very harsh burden on the individual in trying to maintain the decency of his surroundings. It is a perpetual grind that requires consistent effort if it is not to overwhelm the people who are subject to it.

It is customary to think of the poor as living in rundown housing and undoubtedly this is very often the case. Some are able to obtain possession and to continue living in these poor houses in what is otherwise a reasonably stable way, but a good many are forced, through their inability to afford even poor housing, to move from place to place whenever their financial problems become too great. The burden of rootlessness and the cost of moving, with its attendant loss of their furniture and other worldly goods, is a common experience of those who are forced to move as a way of escaping from financial liabilities.

All too often the difficulty the individual experiences in maintaining decent living conditions for himself is compounded by the neglect of public authorities. It seems too clear that in a great many communities the standards established by the individuals in an area become the standards pursued by municipal authorities, public utilities, and others in this same area. Where an area is well-to-do and well maintained, public effort will normally be expended to see to it that streets, sidewalks, public buildings are in good condition; garbage collection is well done and frequent, and even that the provision of facilities such as parks, recreation centres, and libraries is on a generous scale. On the other hand, areas of poor homes which are in mediocre condition may also have neglected streets, boulevards, etc., and the provision of public facilities may be appreciably below standard. The grimness of the public facilities provided.

Perhaps worst of all, in those places where there is no adequate system of government at all, as in rural areas or unorganized territories, little or nothing is done to maintain or improve public property in any way that could alleviate the conditions of the places where people live.

<sup>(4) &</sup>quot;From Divine Weekes and Workes, translated (1606) by J. Sylvester" - Guillaume de Salluste, Seigneur du Bartas. "Second Week. First Day, Part 4."

- 3. Programs Pursued to Combat Conditions of Poverty:
  - "The poor must be wisely visited and liberally cared for, so that mendicity shall not be tempted into mendacity, nor want exasperated into crime. (5)

The more obvious programs pursued are in the realms of public housing and urban renewal. The squalor in which people have lived has quite widely been regarded as a tremendous burden on them, something that makes it very hard for them to lead decent, constructive lives. It has been viewed as most desirable to get them out of these conditions into decent housing so that they could then begin to improve their lives. Un doubtedly this has been successful in many instances, although it has also brought problems in its own train. Perhaps it has, among other effects, tended to separate out those people who have the ability to succeed in our society once they are given a helping hand from those who have much greater difficulty in making their way. The former group have frequently either made a good life for themselves in public projects or in some instances have accentuated the problems of their own disabilities on being brought together with others who are similarly inclined.

Many members of the profession feel, and have felt for many years, that programs of public housing are a reflection of the condition of poverty in society. The ideal solution would be to do away with poverty so that there would then be no need for such programs, but lacking that possibility, it has been considered preferable to pursue the available programs since they do achieve some degree of amelioration of conditions, rather than do nothing unfil the millenium is reached.

Success with senior citizens housing generally appears to have been greater than with family housing. This also seems to be true of those few projects which have catered primarily to adults rather than to families with children. It is not easy to say why this is, but it is noticeable that such projects are closer to typical development in our cities than are the family housing projects. It may also be that they are accepted as simply part of the housing stock that people can attempt to get into if they are eligible rather than as something which is very different from the normal. Presumably also the fact of concentrating a substantial number of adults, or elderly people whose incomes are quite limited, is not so extreme as concentrating families with children who cause extensive wear and tear on the property. Such families also more frequently include a substantial proportion of cases where people require guidance to look after their homes successfully.

On the whole, experience, certainly in the area of this Chapter, has been that the efforts in public housing, senior citizen housing, etc. have been quite constructive although falling short of the desirable goals. Undoubtedly they have lifted many people from conditions of squalor and given them an opportunity to live in more pleasant surroundings. It is also encouraging to note that over the years, there have been progressive improvements in the design of projects so that the living conditions created have gradually become more attractive.

<sup>(5) &</sup>quot;Yorktown Oration (1881)" - Robert Charles Winthrop.

The problems experienced with urban renewal are of a rather different order. Such projects are determined in the first instance by the condition of the area and its location within the broader community. They are not exclusively designed to deal with problems of poverty, although this may be one of the goals. Since such projects involve a significant amount of clearance and substantial changes in the area, they are bound to disturb the people who are living there, and it is not surprising that complicated and even acrimonious situations develop. Whatever the conditions might be and however much there might be objection at the time, it generally appears to be true that the results of urban renewal programs have been to create better conditions for the community but not necessarily to greatly improve the lot of quite a number of the people who were in the area in the first instance.

In recent years, additional programs in the way of the creation of better education facilities, more parks, recreation centres, and such like have been undertaken, sometimes as part of urban renewal programs and sometimes independently. It is hard to say how effective these programs may be but there seems to be every reason to look upon them with optimism. They should help to provide people in these areas with a fuller life that may help them and their children to escape some of the conditions of a restricted environment. They may even help to combat some of the problems experienced by the poor in these areas.

By and large, the present programs appear useful and constructive, but they do not get directly at the problem of eliminating poverty and creating a society in which all can live without fear of want.

#### 4. Problems of Eliminating these Conditions:

"It is not the man who has too little, but the man who craves more, that is poor. (6)

Planners are very well aware that the basic problems of eliminating poverty are economic and social. The concept of a society in which nobody suffers serious deprivation is relatively new and it is not clear how it would work. The possibility of being able to afford to give every individual the means to provide for himself is also unclear and is certainly beyond the competence of the profession of planning, let alone a local chapter, such as this. It does seem however, that as the national prosperity improves, the trend will be towards spreading the income in such a way that individuals will have the wherewithal to look after their own needs. The goal sought by many planners of eliminating poverty through the provision of adequate income for everyone could become a realizable goal in this way. It still seems highly probable that the level of such universal income would be very low for many years to come, so that while extreme poverty might be eliminated, many of the conditions with which we are at present familiar, will continue for a long time to come.

In the field of housing in particular, it is also of great importance how the relative cost of housing changes as against the income available to pay for it. There is little indication at the present time that the productivity in housing will increase to a point where the kind of income that could be made available to the great majority of the population would be adequate to

<sup>(6) &</sup>quot;Epistles. 2,2" - "Translation by W.H.D. Rouse, Loeb Classical Library" - Seneca.

buy a good standard of shelter. It seems highly probable that public efforts in this field will have to be maintained and intensified and may very well involve a significant degree of subsidy for many years to come.

Just as the problems of poverty are very diverse and suffuse large areas of our society, it will be necessary to pursue a wide variety of programs designed to take care of the many different conditions encountered. Education, recreation and other programs, which generally fall under the heading of enriching the life of the individual and the community, will require much greater attention if the elimination of poverty is to lead to the desirable objective of enriching individual and social life.

#### 5. The Planning Consequences of Eliminating Poverty:

"Economic distress will teach men, if anything can, that realities are less dangerous than fancies, that fact-finding is more effective than fault-finding."(7)

The immediate task is to do away with those conditions that are unacceptable; the elimination of poverty as a way of life which is forced on people because of the way they have grown up or because of the way that they, as individuals, are able to operate in our society. It seems highly probable that some headway will be made in ameliorating, or even eliminating, the most severe conditions.

It would seem only sensible to try, at this stage, to foresee the consequences of that success and to try to plan in advance so that fresh problems are not created and so that the best possible results are obtained from the efforts undertaken.

One obvious effect of the reduction of poverty would be an accelerated demand for housing. It seems clear that thought must be given well in advance to the selection of land, its servicing and organization, the financing of housing, and the efficient stable organization of the construction industry so as to achieve economic development that will not undermine the advances in countering poverty. It would be very easy for the increased funds put in the pockets of individuals to be squandered for inefficient development or, to a large extent, siphoned off through unscrupulous speculative pressures if there is not foresight and action to ensure that this does not take place.

It is equally evident that many segments of the economy would experience rapid growth if much more money was available in the hands of the people of low income. It is a common observation that as their prosperity increases, the poor will purchase television sets, furniture and other means of making their lives more comfortable and enjoyable, besides spending more on the maintenance of their homes and taking steps to get better accom modation. Production would increase; distribution and sales would be enlarged. There would be a diversification in the range of items required as well as in their quantity.

<sup>(7) &</sup>quot;Progress and Power" - Carl Lotus Becker.

Undoubtedly our cities would experience the usual requirements for more space for such activities and provision of an adequate range of services would be an important part of efforts to make the increased affluence mean something in the lives of the people.

It is a general experience that as society becomes more prosperous and people have a greater opportunity to call for the goods and services they want, that the demand for services rises, recreation is sought to an increasing extent, education becomes more important, and space is used more freely. This latter is an expression of the increased demand for a variety of different recreations and services as well as the increased mobility of the individual. Increased mobility frequently leads to the individual choosing to live in a location which gives him more space and freedom for action rather than in the more constraining limits of the inner city.

None of these probably developments is any cause for alarm. All can be provided for, and in fact with great benefit, if they are recognized in advance. It is true that this process is likely to be a rather slow one, but it seems highly probable that over a period of 10 or 20 years substantial changes will have been made. This may seem to be a length of time such that our society could adjust and adapt to it gradually, but in fact in the planning of the organization of our cities and rural areas, it is a relatively short term.

Major decisions and major capital investments must be made well in advance if the final realization on the ground is to be successful and attractive, and reasonably economic. It is none too early to be thinking now about the necessary steps that will follow in the train of the general advances that are made in this most important effort to improve our society.



Third Session—Twenty-eighth Parliament 1970

# THE SENATE OF CANADA

PROCEEDINGS OF THE
SPECIAL SENATE COMMITTEE ON

# **Poverty**

The Honourable DAVID A. CROLL, Chairman



WEDNESDAY, OCTOBER 21, 1970

# MEMBERS OF THE SPECIAL SENATE COMMITTEE ON POVERTY

The Honourable David A. Croll, Chairman

The Honourable Senators:

Bélisle Hastings
Carter Inman
Connolly (Halifax North) Lefrançois

Cook MacDonald (Queens)

Croll McGrand
Eudes Pearson
Everett Quart
Fergusson Roebuck
Fournier (Madawaska-Restigouche, Sparrow

Deputy Chairman) (18 Members)

(Quorum 6)

# Orders of Reference

Extract from the Minutes of the Proceedings of the Senate, Thursday, October 8, 1970:

With leave of the Senate,

The Honourable Senator Croll moved, seconded by the Honourable Senator Fergusson:

That a Special Committee of the Senate be appointed to investigate and report upon all aspects of poverty in Canada, whether urban, rural regional or otherwise, to define and elucidate the problem of poverty in Canada, and to recommend appropriate action to ensure the establishment of a more effective structure of remedial measures;

That the Committee have power to engage the services of such counsel, staff and technical advisors as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, and to report from time to time;

That the Committee be authorized to print such papers and evidence from day to day as may be ordered by the Committee, to adjourn from place to place, and notwithstanding Rule 76 (4), to sit during sittings and adjournments of the Senate;

That the evidence taken on the subject during the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Bélisle, Carter, Connolly (Halifax North), Cook, Croll, Eudes, Everett, Fergusson, Fournier (Madawaska-Restigouche), Hastings, Imman, Lefrançois, MacDonald (Queens), McGrand, Pearson, Quart, Roebuck and Sparrow.

After debate, and-

The question being put on the motion, it was—Resolved in the affirmative.

Robert Fortier, Clerk of the Senate.

# Minutes of Proceedings

Wednesday, October 21, 1970

Pursuant to adjournment and notice of the Special Senate Committee on Poverty met this day at 9.00 a.m.

Present: The Honourable Senators: Croll (Chairman), Carter, Connolly (Halifax North), Cook, Fergusson, Fournier (Madawaska-Restigouche), Hastings, Inman, Pearson and Quart. (10)

In attendance: Mr. Frederick J. Joyce, Director.

The following witnesses were heard:

Pharmaceutical Manufacturers Association:

Dr. Wm. W. Wigle, M.D., C.M., President;

Mr. Edmund G. Gregory, Director;

Mr. Guy Beauchemin, Director;

Mr. Don Harper, Public Relations.

Mr. Jacob S. Ziegel, Professor of Law, Osgoode Hall Law School

Dr. Michael Wheeler, Canadian Welfare Council.

The following briefs were ordered to be printed as appendices to these proceedings:

- "A" Brief submitted by the Pharmaceutical Manufacturers Association
- "B" Brief submitted by Mr. Jacob S. Ziegel, Professor of Law, Osgoode Hall Law School
- "C" Brief submitted by the Canadian Jewish Congress
- "D" Brief submitted by The Canadian National Institute for the Blind
- "E" Brief submitted by The Society for Crippled Children and Adults of Manitoba

At 12.00 noon the Committee adjourned until Thursday, October 22, 1970, at 9.00 a.m.

ATTEST:

Georges-A. Coderre, Clerk of the Committee.

# The Special Senate Committee on Poverty

# Evidence

Ottawa, Wednesday, October 21, 1970.

The special Senate Committee on Poverty met this day at 9 a.m.

Senator David A. Croll (Chairman) in the Chair.

The Chairman: Honourable senators, we have before us the brief from the Pharmaceutical Manufacturers Association of Canada, whose president, Dr. William Ward Wigle, will introduce those who have come with him to support the brief, and then make a short statement.

Dr. W. Wigle, President, Pharmaceutical Manufacturers Association of Canada: Thank you, Mr. Chairman. Honourable senators, it is indeed a pleasure, as I have said in my accompanying letter, for us to have an opportunity to come and talk with you regarding the studies you have undertaken in relation to poverty.

First of all, I would like to introduce the delegation that has accompanied me today. I am pleased that Mr. Edmund G. Gregory, who is the Chairman of the Board of Ayerst and the immediate Past Chairman of the Board of our association, is on my immediate right.

Next to him is Mr. Guy Beauchemin, who is our Executive Vice-President within the association.

Beside him, on my extreme right, is Mr. Don Harper, Director of Public Relations, who sort of did the nitty-gritty parts and will be available to answer questions when we come to any parts of the brief that you might want to ask about in detail.

Any one of them would be pleased to answer questions that particularly relate to their sphere of activity.

Mr. Gregory has had some, I suppose, 35 or 40 years' experience—I hate to indicate his age—in the industry, and that has been at all levels of activity, from operations, production, etcetera, through to top management. Mr. Beauchemin is a pharmacist and administrator who has experience in the practice of pharmacy at the retail level, and also many years of Association experience. Mr. Harper is also a pharmacist, with training in business administration and experience at the operations level and the marketing level, and in public relations within the industry and with the Association.

Mr. Chairman, I think that my letter in the front of the brief indicates our interest in the study you have undertaken. Without being apologetic I would like to indicate that we have not made a great effort to come up with some earth-shaking new idea about poverty and the provision of pharmaceuticals to poor

people, because throughout the past few years, as most of you are aware, we have had considerable exposure to many committees and commissions, and we believe we have about shot our bolt as far as that is concerned. The committees and commissions in turn have replied with recommendations and conclusions. So, in essence, we have tried to analyze those decisions and conclusions of the particular committees and commissions, wherein they were pertinent to the provision of pharmaceuticals to the poverty-stricken, and then also to indicate the areas wherein we think there could be some action taken to assist these people.

We have made a point of the fact that we have not come to discuss the cost of drugs. We feel we have had a fairly good exposure to discussion on the cost of drugs, and perhaps that is part of the reason why we have utilized the statements and the conclusions of the various commissions and committees of the last ten or twelve years in order to sum up rather than to reopen and study all the aspects of the cost of drugs.

I think that one of the major conclusions came from the Hall Commission originally, wherein it was pointed out that it is not the high cost of drugs across the whole nation et cetera, especially at the manufactures' level, that is the problem. The problem is that any one of us on any day might be embarrassed by the cost of drugs. A catastrophic or chronic illness requiring prolonged medication, or the development in a particular household containing young people of a condition such as cystic fibrosis which requires very expensive medication, may cause someone at a fairly affluent level of society to be embarrassed by the cost of the necessary drugs.

Everyone has agreed over the years that no one should go without the benefit of modern pharmaceuticals, any more than he should go without the benefit of any other aspect of health care, because of difficulty in paying for them. That difficulty, as I say, may arise most commonly at low income levels, but it can arise at relatively higher income levels if the condition concerned requires the prolonged utilization of medications which cost a good deal.

It is along those lines that we have attempted to indicate our areas of interest. The conclusion of the Hall Commission, to which I referred a few moments ago, is to be found at the bottom of page 5 of our brief, in these words:

On the basis of the evidence presented to us that it is the unequal and generally unpredictable incidence of heavy drug costs have given rise to the greatest concern on the part of the public, rather than what has been described as the "high cost" of drugs, as such.

It is the unequal and generally impredictable incidence that is of vital concern.

Of course, every committee and commission that looks at the expansion of the degree of medicare that we have at the present time speculates as to the inclusion of pharmaceuticals for at least some of those people and, therefore, we think it is an area in which we are justified to be concerned as well. They have continued there with a paragraph that reads:

In addition to the government-sponsored insurance schemes and arrangements for the care of indigents, there is a third important method by which some users of drugs are assisted in meeting the cost of drug purchases. This involves the private insurance agencies and companies writing health care policies. Such health care policies, which may be written for individuals or for groups of individuals, now frequently extend their coverage to include drug expenditures.

Mr. Chairman, although I do not practise medicine any more, a lot of people use me as a bumper in relation to the practice of medicine, and some who confide in me and want my opinion have had to be on medications which amount to a considerable expenditure in a year, and while living in Ottawa I have been impressed by the fact that many of the employees of the Government are so well covered that they are certainly not embarrassed by the cost of drugs. One of them with whom I talked within the last two days about his drug costs, knowing the nature of his illness, said: "Well, I am at the stage where all I have to pay is 20 per cent, and I don't think that is too bad." So, I think there is some degree of satisfaction with some types of programs, without concluding that we have to go to everything from dentures to spectacles for everybody, as has been the experience in some other parts of the world-and to their disappointment in some areas.

We have a feeling that the committee may address itself to the possibility of some type of programs which would assist first those people who are in need, and, as I said, the identification of those people is not as simple as it might be in some other areas of need, because the need can be great, even though you are relatively affluent, if a catastrophic type of illness presents itself in your household.

We have made so bold, if you will, as to develop some principles upon which we think programs for the provision of drugs should be based, and those are to be found at page 11.

Mr. Chairman, I am not going to belabour those. We developed them some four or five years ago. They are the current policy of our association, and we have had basic agreement with those principles when we have presented them to associations representing other members of the health team. When we refer to assisting with programs designed to assist those who are in need then we think that as far as possible these principles should be adhered to.

I think I might move on, Mr. Chairman, to page 14 where there is a summation following several pages containing items extracted from the statements that have been made to your committee by various organizations across the country. We thought it might be worth while for you to have a summation such as that, so the previous few items are related to submissions which indicate the attitudes that some people have taken. There were not many references to the cost of drugs and the supply that we could find in the previous submissions made, which I think could be construed as a further indication for us to come here rather than to show no interest. So, we

felt, in spite of the fact that others had not worked on it, we should reply to your request and do what we could to inform your committee of our attitude on everything that has been said before.

In summary, we have, as is pointed out on page 14, indicated that we believe that a pharmaceutical benefits program which assists the needy and encourages the self-supporting to provide for themselves will best meet the requirements of the people of Canada; secondly, that a socio-economic study should be conducted, relating pharmaceuticals to health and welfare in a broad sense, as an essential precursor to extension of our present health services, having regard to "inability to pay".

In that paragraph we are indicating that we think some programs in the past have been launched with too broad terms of reference, and they have bogged down because of unpredictable expenses occurring and they had to be altered. The practice within the industry in launching a new program is quite often to carry out a study in a relatively localized area so as to establish a standard or base from which the program can be assessed in future years. Discussions with Government officials indicate to us that there is sympathy for the suggestion that there might be a co-operative study instituted in a relatively confined area. This would assist with methods of identification of areas of need and finding those who need assistance. The best method of providing service and its scope would also be considered.

Private enterprise carriers and so-called non-profit chartered corporations are active in the field which we collectively call insurance, although some of the non-profit organizations do not classify their service as insurance. I have difficulty in telling the difference, but there are some who feel that their effort to provide medical services in the past, which is now largely eliminated as they move into other areas, is a little different from insurance. We feel that both of these areas should be given an opportunity to explore thoroughly and, hopefully, expand the methods whereby they can provide a program under which the Government would pay the premium for those identified as needy. This should include the elimination of the danger of catastrophic cost, regardless of type of illness or level of income.

The reference to prepackaging in prescription-size packages is just an indication of one of the areas of our work which we consider may eventually assist with cost of drugs. We have, as I mentioned, other areas of activity within our Association in the context of the brief, but this particular item is one that we have mentioned previously. We think it has a dual advantage: one, the hygienic and safety factors associated with the original quality controls of the manufacturer reaching the patient himself; secondly, if it further reduces the actual labour within the dispensary, perhaps the pharmacist may be able to assist by reducing his operative costs.

Following page 14 we have supplied what might be some useful statistical information related to the history of the cost of drugs in the past ten years. These figures are from the Dominion Bureau of Statistics which, as you know, moved their standard of 100 to the year 1961 within the past year or two. We mention in our introductory paragraph that we are not here to discuss with you the cost of drugs. We are proud of the history and the fact that the reductions in price have been considerable and much more than has ever received recognition. That is well

documented on page 16, but we wish to point this out to you, not for the purpose of tooting our horn, but to try to assure your committee that this possibility of supplying pharmaceuticals to those in need need not necessarily be a frightening proposition because of the great dangers of escalation.

The escalation of costs of prescription drugs has not kept pace with the escalation of other health care costs, nor with costs in other areas of concern which are mentioned herein.

At page 16 we list a few items chosen from our total studies, the year of introduction being that in which the company originating product put it on the market in Canada. This year is shown in the first column in relation to year of introduction. The price in the year of introduction is in the second column and that of 1970 in the third column. With very few exceptions there are decreases. Increases could be for any reason, such as a difficulty of supply of the basic substance or a decision by a manufacturer to withdraw the product from the market, which may necessitate a price increase. I am not familiar with the details.

During the period from the time of introduction to 1970 the decrease in price is significant in most of the products. The first one mentioned is a 68 per cent decrease in price; the next one is a rise; the next one a 20 per cent decrease; and a 5 per cent decrease. Of that group, which are cardiovascular drugs used in heart, vascular, hypertension and other conditions, the average price decrease since they came on the market in 1970 has been 12 per cent.

With reference to the drugs used in the treatment of some nervous conditions, the average has been 23 per cent decrease since the product came on the market. In diuretics the whole field has opened up very widely in the last ten to 12 years and provided very useful medicaments. The price has averaged a decrease of 25 per cent from the day of introduction until 1970.

Sedatives and hypnotics, which at the present time constitute quite a good deal of the expenditure on pharmaceuticals, show an average price reduction of 12 per cent. Some of those most commonly used show a much higher reduction. For instance, the second item mentioned, 41 per cent decrease in price; the next one 31 per cent. These are names with which many of you are probably familiar.

In the antibiotic area we have shown only one item. Mr. Harper can tell us later, I am sure, the reason for this.

The next group, analgesics, the hormones, anti-arthritic and anti-diabetic drugs, have shown a general decline which, I think, is of significance and of which we can be justifiably proud within the industry.

These are prices, of course, from the manufacturer to the pharmacist.

Senator Cook: Do you say they are reflected at the retail level?

**Dr. Wigle:** I do not have documentation with respect to that; I do not know. The Canadian Pharmaceutical Association represents the retail pharmacists and out of propriety I cannot give you a definite answer. I do not think that I should dabble in the areas of pharmacy, if you do not mind.

Fundamentally, that is all I have to say, Mr. Chairman. We

forgot to attach a list of our members, and we have produced this as a supplementary list if any of the senators wish to have them. In any further production of this brief we will insert a page giving the names of our members.

The appendices are self-evident and self-explanatory; they are about submissions of various approaches to methods of the provision of pharmaceuticals on an insurance type basis from the Canadian Pharmaceutical Association, the Canadian Health Insurance Association and so on.

As a supplementary item that can be pulled out instead of having it fastened in—it could not be fastened in because of the way it folds—hopefully it will be encouraging to see the predictions for medicines in the future. These in addition will be of benefit to all, regardless of their income level. Thank you very much, Mr. Chairman.

Senator Carter: Dr. Wigle, the statistics you quote in your brief from D.B.S. seem to convey the impression that drug costs, spread over the nation, are not too significant, running to about \$36 per person a year. That may be so for the whole nation, but have you any figures applying to specific age groups, say those over 60?

**Dr. Wigle:** I believe I expressed my regret about this, although I did not put it that way. In our summary and suggestions, on page 14 we have said that such studies need to be done. We have not got such data except in reference to the study done in the States. You will find that on page 16. In that area there is something from which we might extrapolate, if that is a safe thing to do, some estimates relative to that. We have no specific figures for Canada that I am aware of for different age groups or different economic groups.

Senator Carter: Most of us can form some idea from the correspondence we receive. Scarcely a week passes that I do not receive three or four letters from old people, from different parts of Canada, different areas in the same province, who invariably say that their drug costs average \$25 a month, some a little over and some a little under. As an average it is \$25 a month. That is the figure that comes to me repeatedly in correspondence, mainly from old age pensioners, people who are getting \$78, whatever it is, plus the supplement, \$109 a month altogether. Out of that \$25 goes for drugs, because they have a heart condition, blood pressure, kidney complaints, all sorts of old age diseases and conditions for which drugs are prescribed. That is their monthly drug bill, and it is serious, 25 per cent of their income.

Dr. Wigle: I think we have expressed the same concern. I, Bill Wigle, receive many letters too about the cost of drugs. I often get paranoid that they think the whole thing is my fault. The area of concern certainly is for families which may have children with cystic fibrosis, or some real catastrophic illness, and the older age group, who have a need for more medication, which is the impression we get. After reaching certain unmentionable ages our requirements for pharmaceutical agents to help us carry on is greater, and this is often at a time when our finances are not what they were when we were cutting the mustard. This is an exact area of concern. We agree completely, and I think that in the context of our brief we have tried to indicate our concern for those groups.

Senator Hastings: What is cystic fibrosis?

Dr. Wigle: It is a congenital condition with children, which means they are born with it; it involves lung and pancreatic hormones; they are very susceptible to infection and have to be maintained on high levels of antibiotics to protect them from infections. Until a few years ago most of these children died before reaching ten years of age.

Senator Hastings: It is not malnutrition.

Senator Carter: You prepared a brief, I presume, for the committee investigating drug prices last session. I have never seen anywhere a figure that I consider to be significant, which is the comparative costs in Canada. We know from general experience that drug costs in Canada are higher than in the U.S.A. and in Europe, and conseiderably higher, particularly when one includes the brand names. What I have never seen and would like to see, and was wondering if you did this research for the drug committee for your presentation, is how the manufacturing costs alone compare. I know there are costs such as sales tax, manufacturing tax, retail price and all that. How does the actual cost from the manufacturer, without any addition to it at all, just the overheads, ingredients and labour for making it, compare with the cost in other countries?

Dr. Wigle: I think this has all been well documented in the submissions made to the previous committees. We have purposely tried to keep this from becoming a discussion of drug costs. We have had a considerable amount of that in the last ten years, and I think there are as many opinions about the relationship between the costs in one country and another country as there are economists who would like to interpret it.

The Chairman: Doctor, as I recall it, you filed a document that would answer Senator Carter's question before the Harley Committee.

Dr. Wigle: Yes.

The Chairman: I remember reading it. It gives that exact information. That was a year ago.

Senator Carter: I missed that. One of the things that disturbs me about this drug business is that the same drug turns up in so many varieties. That is, the active ingredient comes out in an infinite variety of packages and names; it is the same thing. Surely that must add to the cost of drugs?

**Dr. Wigle:** I am delighted to hear you make this claim, senator, because I wish you would transfer the message to Mr. Basford and the Department of Consumer and Corporate Affairs, who have recently instigated legislation to inject some real competition into this industry. If he thinks there is a plethora of similar products on the market at the present time, I am inclined to agree, and I think the competition is therefore rife, but the message has not got across to other people, and the methods used so far are to inject that competition by bringing more in. I have no other answer.

Senator Carter: I do not consider that true competition. To my mind that is just a phoney type of competition. We have been told in evidence before this committee—

Dr. Wigle: Mr. Chairman, I am sorry, but I would not like to have been misunderstood, or have the senator misunderstood

in our presence. A phony type of competition might turn out to be some sort of accusation that was levelled at this industry and I do not know of any reason for an interpretation such as this. Competition is competition if there are many products of the same nature on the market.

Senator Carter: There might be, but can you justify it? One company could bring out an active ingredient under one name at a certain cost and because of the smaller scale the cost must be higher. Another company might bring out the identical ingredient under another name, in a different package, and again for the same reason with a higher cost. How do you justify that?

**Dr. Wigle:** I haven't any evidence that the second one comes out again with a higher cost, as the senator has stated.

Senator Carter: What I mean to say is that the cost of a single pill, or whatever the cost is, comes out separately and must be higher—if scale means anything—than if the scale of either one were equal to the combined scales of both. Otherwise the mass production scale does not mean anything.

**Dr. Wigle:** I think there has been many submissions as to what competition is and what it is not. I defer to the senator's opinion.

The Chairman: Please go ahead, Senator Carter.

Senator Carter: I am not quite sure what the answer is.

The Chairman: That question was dropped and now you may start in again with something new.

Senator Carter: We have been told by many witnesses who have come before us—and we have seen not only people who have appeared formally, but people we have met—that the lower income group is under tension most of the time, particularly women who have to bring up families. These people tend toward nervous breakdowns. Is there any increase in tranquillizers, which is helping the drug industry?

Dr. Wigle: A few years ago there was no such thing as a tranquillizer, identified as such. It is a term which has been introduced into the practice of medicine probably within the last 15 years at the most. The LeDain Commission is evidence of the fact that there are abuses by some people in connection with these drugs. The concern of the whole world and this industry is levelled at the uses or abuses of such products. However, the mental hospitals are much less occupied now than they were as a result of the proper use of such substances.

I do not know how we can decide here today all the things concerning abuses. There are areas of abuses, and at the moment they certainly outweigh the benefits which have been derived to society from the proper use of such things. There are, of course, psychiatrists, probably some senators and others, who agree that one should not take anything, but face up to the problem, whatever it is — shoot your dog and live with the issue. Other people believe it is easier to take a tranquillizer and settle down.

**Senator Carter:** I have nothing against tranquillizers, but I would like to know if the sale of tranquillizers is soaring in Canada faster than in other countries.

**Dr. Wigle:** We do not have any documentary evidence showing this. There is no doubt that there is utilization of such products, but, as I said, we did not have them a few years ago.

Senator Carter: Your main recommendation is Pharmacare. You mention it on page 14 and again in Appendix B.

**Dr. Wigle:** It is a very broad interpretation, senator, but basically we are concerned that nobody, regardless of the level of his income, should be deprived of the benefits of modern pharmaceuticals any more than he is deprived of the benefits of any other health service.

Senator Carter: I am not quite clear on this. I have not had time to study your brief as thoroughly as I would like. Would your plan work like Medicare and be parallel to it? How would the low income group get in on this?

**Dr. Wigle:** Our second recommendation, Mr. Chairman, which is shown on page 14, indicates that before these decisions are made we should go into social economic studies in a broad area, small area or whatever, with economists, et cetera, involved in the proper approach to it, as industry does when it markets products to find out what a base line is. How do you define these people? Perhaps there would have to be an incentive to identifying yourself. Some poor people are still proud and would not walk up and say, "Look, I think I am eligible for this." We would have to put some incentive and say that as soon as they can show that their prescription costs are over a certain level they would be eligible to go to a trial. All these things should be worked out rather than having dogmatic decisions by us or by some committee to the effect that it will be one way or the other and will only cover us.

Senator Carter: On general lines, you do refer to a subsidy in connection with this plan of yours. How would this work?

Dr. Wigle: Mr. Chairman, with respect, I am not too sure that I understand which area. If I understand the senator correctly, our hope would be that there would not be anyone who would be embarrassed and go without other things in life because of the cost of his drugs. The subsidy might start at different levels for different people. I do not recall using the word "subsidy".

The Chairman: You have reference here to "The medically ingredient — a suggested formula for providing coverage for this category."

Dr. Wigle: That was the quote from the Hall Commission.

The Chairman: No, on this page.

Dr. Wigle: That is in a supplementary submission in the appendix of the Canadian Health Insurance Association. We have only submitted that as an evidence that there have been programs suggested, and I do not intend to be a specialist on the submission of the Canadian Health Insurance Association.

The Chairman: When you submit something to us it is our understanding that it has your approval or you would not be submitting it. Otherwise why submit it? When you submit something we think that it is good or right, but never that it is wrong.

Dr. Wigle: I do not think the actuaries involved with the health insurance Association necessarily would agree with the actuaries who are involved with the so-called Pharmacare preparation with the Canadian Pharmaceutical Association. We both believe there have been constructive suggestions made towards a solution. They are at such variance with one another that we feel we should come out and say that this is better than that, because there has not been a study done to discover this and hopefully in a study which we referred to such things would both be tried.

The Chairman: Senator Pearson, please.

**Senator Pearson:** Has the association made a study as to those they consider in the poverty line and what range you would call the poverty line?

**Dr. Wigle:** We have not made any such study, Mr. Chairman. I think we have tried to make the point that in the need for lifesaving or distress relieving pharmaceutical agents, the level at which you need help could vary in accordance with the type of illness you have and the type of medication required. Some are relatively inexpensive and people can go along for years without a problem while others might need help regardless of the fact that they had a pretty good income. I think that is pretty difficult and it is part of the study we propose to do.

Senator Pearson: That should be done outside and not as an association itself.

**Dr. Wigle:** In combination with everybody, government, medicine, pharmacy and all the rest.

Senator Pearson: Is there any arrangement under the Medicare scheme of supplying drugs to certain classes? I think that most provinces have something now. Perhaps Quebec has not, but in Ontario of course there has been a provision for many years. Providing medication for people on welfare. I think that most of the other programs are such, and my colleagues are assisting me here with something else.

Mr. Guy Beauchemin, Executive Vice-President, Pharmaceutical Manufacturers Association of Canada: Medicare does not cover drugs as such, but there is another plan called the Canada Assistance Plan.

The Chairman: Every province covers it under the Canada Assistance Plan.

Senator Pearson: That is what I wanted to find out.

The Chairman: Actually there is a price for it, too. I was about to ask that question, but go ahead.

Senator Pearson: I just wanted to know if provision is made in each particular province and if it is under the Canada Assistance Plan and if it is the same way across the Dominion.

**Dr. Wigle:** That is right—in so far as participation by various government levels is concerned.

The Chairman: And then, from government levels to individuals

Senator Pearson: Very well. Thank you.

Senator Fournier: Mr. Chairman, I think this committee, or at least myself, is facing a closed shop this morning. The most important question as far as I am concerned is the price of drugs. We have been told on several occasions to keep away from the subject.

The Chairman: No, no. Senator Fournier, he discussed the price and said we were going to stay away from it, then he went on discussing it for fifteen minutes, so it is wide open. I did not push it.

Senator Fournier: I wanted to make this comment, because it is very seldom we face a situation like that. I have a few remarks to make about the cost of drugs. First, I want to say something about the abuses. Somebody mentioned the abuse of drugs. I do not blame so much possibly the manufacturers for the abuses but I do certainly blame the distributor, the salesman, the man who makes the recommendation.

I have the obligation to buy drugs for a few old people and have been for the last four or five years. It costs me at least \$3 a month, and every month I see the price of these drugs going up. They are selling these pills by the dozen to these old aged people. Whether it does them any good or not, I do not know as yet. But I think I have learned a lesson here and I do not intend to leave it like this. I will, at this moment.

On page 16, on the list that is given here, I look over this and I have been able to pick some of the pills or drugs that I have been buying for these old people—not saying exactly what the effect of it is. From the price that is mentioned here and the decrease in price from the manufacturer, I am paying from 500 to 800 per cent more than the suggested price. I know that I am not asking you for an answer. This is something possibly that I will take to some department, because I have the facts. When you pay 10 cents for Serpasil which can be manufactured today for 1½ cents or 1.42, and the difference is 68 per cent, you pay 10 cents a pill, so there is a lot of spread there. It is really too much.

**Dr. Wigle:** Mr. Chairman, I am sure Senator Fournier is fully acquainted with the fact that what we are giving here is data from the manufacturer's price.

Senator Fournier: I appreciate that.

Dr. Wigle: Thank you.

**Senator Carter:** Before we leave that, what is the quantity? For what quantities of the drugs are these prices? Is it hundreds, or dozens? It is on page 16.

Dr. Wigle: I think they are hundreds.

Mr. Harper: For the sake of brevity on the chart, I did not put that in, but it represents the smallest package size which the manufacturer offers for sale which is the usual package size dispensed on a prescription. It is typically a hundred for most of these, but there might be a few exceptions. It is typically the smallest size package that the pharmacist would sell in his dispensary.

Dr. Wigle: It is the relative position of the two figures, regardless of what the individual items may be.

Senator Carter: For comparison purposes, for our own experience, as Senator Fournier has pointed out, it is important to know what the quantities are, too.

Mr. D. Harper, Director of Public Relations, Pharmaceutical Manufacturers Association of Canada: We would be happy to supplement this chart just to make sure for you that subsequent copies indicate exactly what it is. I am sure it is almost always a hundred. I can check it in about two minutes if you allow me.

The Chairman: You go ahead and check it.

Senator Carter: Would it include taxes and excise taxes and everything as it goes to the pharmacist's shop? The only thing that goes on that is the pharmacist's shop? The only thing that goes on that is the pharmacist's mark-up? The only thing between this price and the price the public pays is the pharmacist's mark-up, is that right?

**Dr. Wigle:** I do not know whether you call it mark-up or a professional fee or what it is. I would hate to try to interpret it but this is what it costs to the pharmacist's store.

The Chairman: The point he made was that government taxes are included and would have been paid?

Dr. Wigle: Yes.

The Chairman: So the only thing is the fee or profit or whatever you want to call it, the pharmacist's fee or the pharmacist's profit, that is the only thing that is added?

Dr. Wigle: Yes.

Mr. Harper: I think we should clarify that. It is not just the pharmacist's profit. That would mark-up sometimes is loosely interpreted to mean profit. That in fact contains the whole cost of the pharmacist's operation, as well as his profit. He has to pay for running his store, hiring his help, and so on.

The Chairman: We have all been in business.

Mr. Harper: I just wanted to make sure that that was understood.

The Chairman: Yes.

Senator Cook: May I ask a question in this connection. You say on page 11, on the fourth point:

Nothing must be allowed to interfere with the duty of the pharmacist to respect the integrity of the physician's prescription.

What does the pharmacist do? He reads what the physician tells him. What does he do for his professional fee?

**Dr. Wigle:** I have three pharmacists on my right, all of whom would be much more competent to answer that.

Senator Cook: Just one.

The Chairman: Yes, would just one answer it.

**Dr. Wigle:** I think it varies from pharmacy to pharmacy in accordance with the service he renders, but perhaps someone here would like to answer.

Senator Cook: Like every other merchant, he carries an inventory, which in this case is drugs. He gets the physician's prescription. Where does all the professional service come in? What does he do?

Mr. Harper: I appreciate your concern about this and while we can speculate on a number of things that the pharmacist offers to deserve his professional fee, I suspect that this is a question that really should be best answered by the representatives of professional pharmacy. I am only one pharmacist and I do not speak for all the pharmacists. I know that many pharmacists, for example, have a ledger system, a personal record on you and your wife and family, they keep track of the drugs you take and through this can very often encounter, before a doctor might even know, because you might be going to several physicians, incompatibilities between the medications you are taking. Many pharmacists in Canada render this service, but I cannot say all of them do. I think this is a question that rightfully the pharmaceutical association should deal with in depth.

**Senator Cook:** I am interested in this question because although I am a lawyer I happen to own nine drug stores in Newfoundland so I happen to know about drugs.

The Chairman: You fellows are in trouble.

Dr. Wigle: We are not in trouble at all. Congratulations!

Senator Cook: They do not all pay, either.

The Chairman: Have either of you two gentlemen, anything to add to what Mr. Harper has said?

Mr. Edmund G. Gregory, Immediate Past Chairman of the Board, Pharmaceutical Manufacturers Association of Canada: I think the profession of pharmacy is one of the most noble ones and, without getting too dramatic, I would like to say that my grandfather and my father and two uncles and one brother and two cousins and a nephew are deeply involved in this business; and as one approaches the profession of pharmacy as I was trained to do, it is a wonderful experience to be helpful to mankind to get himself back on his feet. The services that most pharmacists render are, I think, invaluable and very often unrecognized. Does than answer your question?

The Chairman: It is not much of an answer, but it is, nevertheless, a good speech.

Mr. Gregory: That is what it was intended to be.

The Chairman: Mr. Harper, you said something that did not quite click with me. You said that two doctors might prescribe two separate drugs for a person and the druggists would realize, when looking at the prescriptions, that the drugs were not compatible. Are you suggesting that the druggist would then tell the patient that the two doctors were giving him incompatible drugs? Would any druggist do that?

Mr. Harper: I am not suggesting the druggist would say it to the patient. From what I understand with respect to pharma-

cists operating such protection services, they would probably say to the doctor something like this: "You are probably not aware of the fact that this particular patient is going to another physician who is prescribing for another ailment—", perhaps an unrelated ailment such as an infection—"and the drug the other physician is prescribing is not compatible with that which you are prescribing."

Senator Hastings: I just wish to make one observation with respect to the abuse in the price of drugs. When this committee travelled across Canada we had occasion to stay in the city of Vancouver. I spent one day on Skid Row in Vancouver and in the course of that day, mingling with these people, it happened that when I was in a beer parlour I was offered, and bought, pills of five grain Seconal at ten cents a pill. I was very surprised at that price because I normally pay 15 cents a pill at home on a prescription. Just how are these drugs getting onto the market at such a low price?

**Dr. Wigle:** There are many questions involved in that one question, Mr. Chairman. The first question is are we positive that it was exactly the product it was held out to be; would it stand up to analysis or would it prove to be a counterfeit substance, many of which exist on the market today.

The evidence that the narcotic control people have given to the Le Dain Commission and others when asked about these questions is that to the best of their knowledge the illicit products on the market have not come from the legitimate industry.

**Senator Hastings:** They do not come from the legitimate industry?

**Dr. Wigle:** No. They likely come from somebody's basement lab or something like that. I might say that we have given serious consideration to this particular item. Prior to appearing before the Le Dain Commission we went to the narcotics division and other people to get as much information as we could before we went.

Senator Hastings: Incidentally, they were pretty good pills.

Dr. Wigle: You are a brave man.

**Senator Hastings:** In your summary on page 14 of your brief you say that an examination of private enterprise solution to providing social assistance to the needy would seem appropriate. Would you care to enlarge on what you mean by an examination of private enterprise solutions?

Dr. Wigle: I will let Mr. Harper supplement this, but I believe those two paragraphs (c) and (d) are there to draw attention to the fact that insurance companies and those other carriers that do not call themselves insurance, to which I referred in my opening remarks, have both moved into this area. We think there has not yet been a satisfactory exploration of their capabilities in this regard. Perhaps Mr. Harper would like to supplement that.

Mr. Harper: I believe that is generally the case. In the appendix dealing with the Canadian Health Assurance Association scheme, which is one kind of scheme, there is an illustration to the effect that if we do not at least examine the possible

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contribution of private enterprise to solving problems of the poor we may very well be overlooking a very powerful resource, a means of enabling us to get more mileage out of the money from the public purse that we would otherwise use for this purpose. It is a possibility and we do not really know the answer.

The Chairman: I do not quite follow that.

Senator Hastings: Well, what have you done as private enterprise?

Mr. Harper: Perhaps there is some misunderstanding. The use of the words "private enterprise" here refer to non-governmental carriers of health care policies. We are not referring to our industry. I am sorry if that has been misleading you.

The Chairman: He is referring to insurance now.

Mr. Harper: We don't use the word "insurance," because there are some companies which do not look upon themselves as insurance firms. Nevertheless, they are non-governmental, chartered, non-profit firms, and these kinds of people should surely be fully explored to make sure they have a worthwhile contribution to be made efficiently and economically.

The Chairman: If I understand Mr. Harper right, Senator Hastings, he is saying, in effect, that instead of setting up medicare we should do it as they originally did it in the province of Ontario: through the insurance companies. Instead of the government taking hold of it they would turn it over to another group to see if they could do it any better. It is possible. I do not know.

Mr. Harper: I say that we should at least assess the two in parallel so that if we do go the public route we know that in fact that route is the best route. Perhaps an examination will show the best route to be some kind of mixed scheme, some kind of mixture between public and private; perhaps it will show that it should be private entirely. None of us has that answer.

The Chairman: But as private enterprise you have already gone the public route on this.

Mr. Harper: I was not aware that the PSI scheme had been introduced, or that their scheme had been taken up so far as pharmaceuticals are concerned.

The Chairman: No, but under the Canada Assistance Plan, for all purposes, they are using it. It is not called what we call it or what you want to call it, but they are using your plan under that Canada Assistance Act without actually naming it.

Mr. Harper: If that is in effect, is operative, functional and worthwhile and is doing the job, then more power to it.

The Chairman: Who should know that better than you? You are the executive director. Why should we tell you what is going on?

Mr. Harper: My understanding, from what senators have said today, is that despite the Canada Assistance Plan there

seems to be some area of need and that that area needs additional pursuit, otherwise you would not be getting these letters you have referred to.

The Chairman: The people about whom Senator Carter and others have been speaking are not people on public assistance. They would be people receiving pensions and they would be the working poor. These people are just poor people who have large medical bills and they are complaining about that situation. That is a different question entirely from the question of the man on public assistance. The man on public assistance today not only gets drugs but gets medicare and a form of insurance as well. But the cost of dental care for a family of four is \$7.50 a month, and poor families are complaining about that sort of thing.

Senator Hastings: Has your association carried out any studies or any work with respect to the problem of helping the poor? Have you acquainted your association with the problems of the working poor, and do you have any ideas to offer us?

**Dr. Wigle:** We indicated previously, Mr. Chairman, that a study needs to be made. That is what paragraph (b) of our summary on page 14 is all about. There have been some benevolent efforts made by certain manufacturers to assist in this area, by making it known to physicians, for instance, that if the physician writes the manufacturers a note certifying that "so and so" needs a supply of a certain drug they will give it to him either free or at a reduced cost. But that is purely benevolent and it is on a hit-and-miss basis. But there is a need for a study, Senator.

The Chairman: Britain has had years and years of experience. The Americans also have had years of experience. Basically these people are the same kinds of people as Canadians and have the same kinds of background. They have had the same problems. Do I understand that none of these people have made the kind of study you are now talking to us about, Doctor?

**Dr. Wigle:** Mr. Chairman, my impression just off the top of my head is that the experience in Britain has not entirely been satisfactory.

The Chairman: I am not talking about the experience in Britain. I am wondering merely about a study.

Dr. Wigle: I do not know what studies they did before. Very often their programs were implemented because somebody had made up his mind to do so and went and did it. There is a U.S. study on page 16. The Health, Education and Welfare prescription drug task force in its first background volume compiled a master drug list of the 409 prescription product most used by the elderly. That is the only one I am able to refer to, and I made reference to it previously. As I said in my opening remarks, extrapolations from that might be quite satisfactory for Canadians, because comparable information is not yet available in Canada, but we could assume that our prescribing habits and the utilization of pharmaceuticals are similar to those in the United States.

Senator Hastings: Yes. In your opening remarks you mentioned, and you mentioned it again a moment ago, with regard to experience that it was a failure and you just wrote it off as a failure in other areas, and I presume you are referring to Britain.

Dr. Wigle: Well, I don't know about its being a failure, but there is great concern about escalating costs in those programs with which I have been concerned. Certainly so far as the one in England is concerned the most common thing you hear about it is the cost. This is a situation we will never be entirely free of; the cost of drugs is a highly emotional issue, and perhaps it will remove it from that emotional atmosphere when everybody is assured by some program that he is not going to have to pay for it. I do not like to buy drugs and I am sure nobody else does, but the exploitation of this emotional question has been very great throughout the years. The industry has been harrassed and if I did not have a significant acquaintance with the contribution that the industry has made throughout the last 35 years to the health of the world, I would be paranoid. I would be afraid to come before a committee such as this because of the attitudes of so many people. Many people have for political reasons exploited the whole emotional issue. This becomes distressing after a while, but now I have enough conviction about it and it does not bother me. But you never get away from the issue of cost.

Senator Hastings: But the question of cost does not bother me.

Dr. Wigle: No, but that is what is bothering the program in England and that is what you asked me about, with respect, sir.

Senator Hastings: Every time we institute a program, the people that need it start getting it and it costs money. And two out of five Canadians are getting the drugs they need today and it costs money. If we have to institute a program that will also cost money, but that does not worry me.

**Dr. Wigle:** But you were mentioning the question of experience.

Senator Hastings: And you used the word "failure."

Dr. Wigle: You believe that I was inclined to deprecate the thing, but that was not my intention. Certainly this was not the case in the area of provision of drugs to needy people; this must be done. But I think you were quite justified, Mr. Chairman, in your semi-facetious remark that I was trying to avoid the whole discussion about the cost of drugs and yet I talked about the cost of drugs for some minutes. It was quite justified, but I tried to point out the fact that this was an effort to assure the committee that the history of the cost of drugs when looked at factually with the figures that we have presented to you does not need to frighten us as Canadians from moving into some program that would guarantee that these people would get the drugs they need.

The Chairman: Well, Senator Hastings has expressed his view, but you started out by saying that if you did not know what you know about drugs you would be paranoid.

**Dr. Wigle:** Mr. Chairman, I will get paranoid if you paraphrase me again like that, with respect. I did not say that. I said that if I did not know what I know about the industry, I would become paranoid.

**Senator Fournier:** Well, take the case of a citizen like myself who goes to the drug store to buy a drug at an extremely high price. Whom do I blame? I blame the manufacturer.

**Dr.** Wigle: When I was in practice, I used to blame the doctor because they used to come in the next time and say "Boy, your drugs sure cost an awful lot."

Senator Inman: Mr. Chairman, I too am interested in the cost of drugs. On page 17 there is a list of drugs and Butazolidin is shown there. I see the manufacturer's price to the druggist is \$5.57, and that is in this year, 1970. Is that for 100?

Mr. Harper: Yes. I have been checking if and unfortunately I do not have the reference here but I can almost guarantee you that that is for 100.

Senator Inman: Unfortunately I use that drug, and a lot of it, and I pay almost double that price.

Dr. Wigle: It would be more unfortunate if you did not use

**Senator Inman:** I am quite happy to have it. But I do know that there are some people who are arthritic like I am but who cannot afford to pay that. Now I presume that is the Swiss formula.

Mr. Harper: Yest, but it is made in Canada.

Senator Inman: Well, the one I use is not, because I used the Canadian one and I did not find it so good. It was made to the same formula. And I have had other people tell me the same thing. Now, what I would like to know is this; do you use the same formula?

Dr. Wigle: Mr. Chairman, we are into a fairly technical area. First of all Senator Inman has made the statement that it was not manufactured in Canada. I would think it would take a fair amount of research to be sure of that. Because it is the Swiss product does not mean that it was not manufactured here. Many Swiss companies bring in their active ingredient and do their manufacturing in Canada.

Senator Inman: But what I use is the Swiss formula.

Mr. Harper: Yes, the Geigi formula.

Senator Inman: Some of the Canadian firms make one of their own, supposedly, but it is not as good.

**Dr. Wigle:** And your question is; does it have the same active ingredient? Is that your question?

Senator Inman: Yes.

Dr. Wigle: It does.

Senator Inman: What is the reason then for the difference?

Dr. Wigle: Mr. Chairman, I think that the very art of formulation of pharmaceuticals is the reason, but I have been faced with a question like this in front of a group of ladies at a church circle, and I made reference to the fact that when they went to buy a chocolate cake, they did not just buy anybody's chocolate cake—they bought the one that they knew was made by so and so, although she might have been using the same recipe as the lady down the street, but it was a dif-

ferent cake. This is exactly the case in the formulation of pharmaceuticals. They may be attempting to imitate that formulation, but the know-how in the art of pharmaceutical formulation that is utilized by the man who had to originate the product and who had to do the clinical trials to prove that it worked in patients before he could get it on the market. He did all that and there were blood levels done, etcetera to prove that it would work. Now the imitator who comes along and takes the active ingredient and makes his product does not do it until it is called an "old drug", when he can bring it on the market without doing those clinical trials. So there was no clinical proof that his substance worked, and we think it is deplorable, but this is how it happens at the present time, so that we cannot say whether they are the same.

Senator Inman: Well, I am very fortunate that I am able to buy what I do buy, because the others which I tried did not work. I asked two or three doctors if they had had this experience and they told me that their patients did not have good results from the Canadian product. But I feel that people who have to take this are unfortunate if they are going to have to pay \$10 for these pills.

The Chairman: Senator Inman's comment is that she thought she was being taken a bit.

Dr. Wigle: That is your interpretation, Mr. Chairman. She did not say how comfortable she was.

**Senator Inman:** Well, the one I take does help me, but the other one did not. That is the point I was trying to make, and I was wondering why if it is supposed to be the same formula and the same drug, this should be the situation.

**Dr. Wigle:** This is an issue that we are continuing to belabour because of the fact that we think there should be clinical proof before a product comes on the market. But I hear somebody on my right who wishes to add something.

Mr. Beauchemin: Actually what you call the Swiss one is manufactured in Canada also by a company which is of Swiss origin. There are numerous imitations on the Canadian market which are made frequently by people who do not have the same inclination for good quality control for their perpetuation in the market. Very many, unfortunately are there for a quick buck. And they will use the same active ingredient but prepared in such a way that it is not easily assimilable. It will not keep on the pharmacist's shelf. Any kind of thing can happen. It is like everything else; you get what you pay for. Although the Swiss product might be slightly more expensive, you have the quality and the long clinical experience of the company with their product that has done the research on it.

**Senator Inman:** Well, I do not feel like being critical of the pharmacists either, but do you not think that the big spread between \$5.57 per hundred and over \$10 is rather much?

Mr. Beauchemin: I do not know the circumstances under which this pharmacist operates. He might be very far from his source of supply.

**Senator Carter:** I want to get back to the line of questioning I was on earlier which was practically dropped, Mr. Chairman, but I am a bit of a bulldog type.

The Chairman: Go ahead.

Dr. Wigle: I brought my high boots, Mr. Chairman!

Senator Carter: This has to do with the practice I was talking about earlier, which has been referred to in the last discussion with Senator Inman. This is a brief from the Pharmaceutical Manufacturers Association. In your Association do you try to police and come to grips with these problems that we have raised here this morning? What have you done, and what success have you had?

**Dr. Wigle:** These are things that probably we might embarrass ourselves by disclosing at the present time, some of the issues, but I believe, if I understand the senator correctly, he is referring to the differences between various substances on the Canadian market of the category raised by the Honourable Senator Inman.

Yes, I am very proud to say that the members of this Association, with their own activities—because we do not run laboratories, etcetera, as an Association, but the members of the Association, who are the originators of the products that have been brought to the benefit of mankind in the last 35 years, who are the research-oriented industry-in an effort to protect themselves and the reputation of their productsbecause if an imitation is brought on the market and it is implied it is the same as their product, in due course it can ruin the reputation of their product as well—they constantly pick up samples of these imitations that are marketed across Canada, do analyses in their own sophisticated laboratories. and on several occasions-in fact, two within recent monthshave indicated to the Food and Drug Directorate that there were sub-potency items on the Canadian market, and the Food and Drug Directorate has then followed up.

The reason I have been reluctant to say this, Mr. Chairman, is that I have no desire to embarrass the Food and Drug Directorate in any way, shape or form. We have an excellent Food and Drug Directorate in Canada, and our industry and its members in the research segment of this industry work hand in hand with the Food and Drug Directorate. I think that proper follow-ups are being made on these things. I am proud of the fact, and the question has provoked me to answer in more detail than I would have. Our members are continually policing the imitations of their products that are brought on to the market. Although there has been some intimation that governmental bodies or agencies could do all the policing, we think they still need some help, and it is being done.

Senator Carter: There are two problems there. You have your black sheep who just coast along and let somebody else do the research, all the proof and trying out the clinical tests and everything. Then, when the thing is a boom and on the market, they cash in on it and come in and place on the market an inferior product. That is the black sheep among your own flock.

Mr. Gregory: It is not our flock.

Senator Carter: They are the manufacturers.

**Dr. Wigle:** They are listed as manufacturers, but they do not belong to the research-oriented group that we represent.

Senator Carter: Have you ever devised any sort of legislation to stop that sort of thing?

**Dr. Wigle:** Mr. Chairman, our impression has been during the last 10 years, unfortunately, that the sympathy of many parts of Government is with the encouragement of these people to pirate the products that are originated by the research-oriented industry. I am amazed the senator should ask such a question.

The Chairman: Do not be amazed. The senator is asking the question for a very good reason. You know why they have allowed it, do you not? I do not have to write you a letter. You know why they have allowed the pirating in that sense, because they have tried to bring the price down. They have tried everything else and it has not worked, and they thought perhaps that would help.

Senator Pearson: Let the bootlegger in!

The Chairman: Well, that is illegal.

Senator Carter: I come back to my original question. When you have one active ingredient and it comes out in 100-tablet form and everybody is trying to cash in on that, because it is a wonder drug now and everybody puts it in a different package and puts it on the market, with a limited market of 20 million people there is only a limited scale of manufacture and if you cannot reach that you cannot get an economic price. I take it from what you said earlier, there are no black sheep in your Association, that they are outside your Association.

Mr. Wigle: We would be an unusual group if we had absolutely none. I have not met anybody else in society who could make such a claim for their group.

Senator Carter: Have you any in your Association that indulge in this practice of proliferating the same active ingredient in such a wide variety of pills and formulas and, at the same time, defeating the benefits of manufacturing to scale?

Mr. Wigle: There are indeed many companies within our Association who market their products that are competitive one with the other. I think the senator is implying that if one company or one agency had the opportunity to have the total Canadian market for any one item, this would bring the price down and they would be able to flood the Canadian market with a cheap, good product, and the price would stay down. I do not know of any examples of this. In countries where such things have happened there has been an absolute loss of research and discovery. It depends on the price you want to pay for the reduction of price.

Senator Carter: I am not interested in what happens in other countries. I am interested in one simple fact: The scale manufacture as to quantity, has that any significant effect on price in Canada?

Dr. Wigle: Yes, I do not think there is any doubt about that. Such a reputable person as Sir Derek Dunlop, who was the Chairman of the Drug Safety Committee in Great Britain, recently has stated that but for the ability to mass produce, many of the valuable drugs would not even be on the market today. If you had to do it on a small scale, people could never afford them.

**Senator Carter:** When you divide the scale up among 20 or 30 different manufacturers, surely you must increase the cost, because your scale goes down.

Senator Cook: You have to pay something for the benefit of the competition. If you did not have competition, you would be ruined.

Mr. Harper: Having been responsible for having made pharmaceuticals in the production department, I think maybe I can clarify some of your curiosity about scale of manufacture.

Our industry is not like the kinds of industry that crank out endless rows of identically reproduced objects, candies or something of that nature. Pharmaceuticals in Canada, and generally elsewhere in the world, are a batch type of manufacturing operation. Usually half a million tablets or capsules are manufactured at one time because over the years experience has shown that the equipment, the controls, the documentation, and all the rest can best be controlled by that scale of operation.

There are very few—there are some, but they are very few—in respect of which a continuous line setup can go on for an end product. So. any manufacturer wanting to make a pharmaceutical pretty well has to make it in these small batches of half a million, or perhaps a million, tablets or capsules. There is not to be that much saving gained by doubling the size of the batch because the equipment is not reliable, or even available, to do it. So, there could not be any saving there. The saving you are thinking of is the saving that arises from mass sales and merchandising, rather than the saving of large scale manufacture.

#### Senator Carter: Yes.

Mr. Harper: Then, of course, as markets grow you get into what senator Cook was referring to, and that is a trade-off between increasing sales in one company and the advantages introduced by the competition that forces the price back down again. I hope that clears up the fact that it is not the batch size of the operation.

Senator Carter: Yes, that answers some of my questions, but not all of them. Apparently, you see no answer to this. You think it is a good thing to have a proliferation of the same active ingredient in so many different forms. Does the public benefit from that, or does that hurt the public?

Dr. Wigle: I think the history of the use of them shows that the medical profession has utilized these substances apparently to the benefit of their patients, in their opinion, and so far as many manufacturers are concerned we must presume this competition is a healthy thing. We have indicated that the prices have come down in the vast majority of cases. Also, the Government itself has indicated there is a need for more competition because they have opened the doors to importation. I cannot say more than that.

The Chairman: I would point out that you represent the manufacturers. You knew that the Government was pretty determined a couple of years ago, and is determined yet, to reduce the price of drugs. Why did you let them go so far as to open the door to importation instead of saying to them: "Now look, we will meet this situation. Just leave it as it is, instead of

opening the door". Do you not think they would have listened to you?

Dr. Wigle: Mr. Chairman, I think you must be teasing me, because I have the reputation, and this association has the reputation, of having made the greatest lobby ever on these matters. These are the messages we tried to get across, and the most important one you will find in the final paragraph on page 21, where we say that the support of the research-oriented industry is a positive contribution to the discovery of new cures. Not only did we mention that competition was adequate, but that to bring in these things wipes out the research which is the most important contribution the industry has ever made.

The Chairman: But, doctor, when you say you were the toughest lobby on the Hill ...

Dr. Wigle: I did not say that. I said that we were reputed to be.

The Chairman: I am prepared to accept that you were, and you certainly did well. I do not remember in all the approaches that were made—and I was concerned with this thing in its earlier stages—your association at any time saying: "Look, tell us what it is you want, and let us see if we can meet it without opening the doors." You fought it, but you did not approach the matter in that sense.

**Dr. Wigle:** Mr. Chairman, I would be happy to go through the various submissions we made to the various committees, and send you a summation of the areas wherein we did say that. I am not surprised that you do not remember it, because for this politically exploited industry very few things on the beneficial side are remembered.

The Chairman: I will take your word for it.

Senator Carter: Coming back to this business of proliferation again, when all these different companies get on the bandwagon and put out the same ingredient under a different name, do they all share in the cost of research? In what way are they different?

**Dr. Wigle:** Mr. Chairman, the fact is that they do not share in the cost of the research. They get a compulsory licence under a certain section of the Patent Act which applies only to drugs, and these licences require them to pay a royalty which the Commissioner of Patents and people in court circles have referred to as a pittance. It is no substantial contribution to that research at all. So, there is no contribution, to speak of, made towards the research.

Senator Carter: But they are pirates too, in a sense, are they not?

Dr. Wigle: Those are the ones we are talking about.

Senator Carter: There are two groups. Let us not get them mixed up. You were talking about the one that Senator Inman referred to, which came out with a substandard product, and then got on the bandwagon and made a killing in that way. You said you did not have that type in your association; that they were the black sheep outside. Then, I asked you what kind of sheep you had inside, and whether there were any of the people within your own group who had got on the bandwagon and

cashed in. Apart from the criminal thing of putting out a substandard product, in what way are they different?

Dr. Wigle: Mr. Chairman, I do not think I intended to group anybody in such a way as to indicate that they were the ones to get the permission, albeit through legal or voluntary channels, to make an imitation of a product, and then produce forthwith a substandard product. I do not think size of manufacture is any indication of quality or excellence. You can make a bad batch in a good factory, and you can make a bad batch in a small factory, and vice versa. So, to generalize about who is going to make a good batch or a bad batch tomorrow, would be an absolute impossibility. Mr. Gregory, as the head of his company, would certainly assure you that his quality control people fight daily to make sure that the next batch will be a good one, but they can have a bad one, and sometimes they have to bring it back.

Senator Carter: That is not my question. I am on the matter of competition. You said that this proliferation was a good thing, because there was competition, and the Government encourages it, and it has kept the price down. But, if these fellows jump on the bandwagon without having to face the overhead cost of research and clinical testing, then surely they are in a position to put the product on the market at a lower price and compete, but they do not.

Mr. Harper: But they do. Senator, a good public illustration of this—unfortunately I do not have it in my bag at this moment—is the Ontario Parcost Index. I am not promoting the Parcost scheme, but if you look at the very first index you will see that it lists penicillin preparations. There are products of known reputable research-based manufacturers that have proven their products, and they are not all the same price. In fact, a product of one of our member firms is the lowest priced product on the index. So, there is no evidence from the Parcost program of government published prices that, in fact, the people who do thoroughly test their products, research them, and so forth, charge high prices.

**Senator Carter:** Then, they must minimize their profit, and make life pretty miserable for the fellow who does the original research.

Mr. Harper: But they do incur clinical research costs in proving that their product is effective in the human body. It is the same problem that Senator Inman was referring to. You have to be able to prove your product is effective in the human body.

The Chairman: Is it three years or is it five years before the outlaw can come in?

Mr. Beauchemin: There is no set limit in the sense that the Food and Drugs Act says that whenever a drug is a new drug nobody can come into the market with a new active ingredient unless he has done all the clinical work himself. Now, the period during which a drug is a new drug can vary according to the whim of the Food and Drug Directorate, but it is usually between three and six years.

The Chairman: Yes, that is what the Food and Drug Directorate said to another committee. I believe it was to the Standing Senate Committee on Banking, Trade and Commerce.

**Dr. Wigle:** There is a great deal of confusion in this area. That does not prohibit someone from coming to the market. It is only if he wishes to do it without clinical trials and the full submission provided by the other. If he wishes to do all the homework and prove that it produces he can come on.

The Chairman: Oh, yes. Doctor and gentlemen, of course you know that we are very much interested in Pharmacare. It is a matter of special interest to the Government and they take advantage of it under most circumstances through the Canada Assistance Act. They will continue to do so, because it is essential.

It has been a very useful morning for us. There is a great deal of knowledge contained in the brief and you have presented it, as you have done on so many other occasions, very well and with conviction. It is a worthwhile contribution and on behalf of the committee I wish to thank you and your colleagues.

**Dr. Wigle:** Mr. Chairman, I wish to thank you for the interest that has been shown. I was a little hesitant about coming this morning because sometimes we do not receive the interest and questions that we have today. I enjoyed it.

The Chairman: We now have the submission of Professor Jacob S. Ziegel, Professor of Law at Osgoode Hall Law School. He was Professor of Law at McGill University, a Member of the Canadian Consumer Council and is the author of many articles. He has made various studies. With Professor Ziegel is Michael Wheeler, Regional Director of the Research Department, Canadian Welfare Council.

Professor Jacob S. Ziegel, Professor of Law, Osgoode Hall Law School, York University: Thank you very much, Senator Croll. I am grateful for the opportunity to appear before the committee today to make some presentations concerning an aspect of poverty in Canada that I believe to be important. I do not believe this has previously been ventilated before this committee. My brief is entitled "Consumer Credit and the Low Income Consumer". This, Mr. Chairman, with your permission is what I should like to discuss in the next few minutes.

As the committee will appreciate, consumer credit is only one aspect of a much broader range of consumer problems. However, I have not attempted to deal with other consumer problems that affect low income consumers. This is due to a variety of reasons, of which the time factor, both in preparing my brief and in speaking to you this morning, is the most important. However, I do not think that the other consumer problems should be overlooked. Several of them are also of great importance in the area of low income consumers. Even within the area of consumer credit, Mr. Chairman, I have not attempted to make an exhaustive presentation. This again is due to a variety of reasons, one being that I have attempted to focus on those consumer credit problems which are of particular importance to low income consumers. A second reason is again the factor of time.

However, at the outset I should draw the attention of the committee to the fact that there are a number of significant problems in consumer credit that I might well have included because of their importance. I am thinking of such questions

as legal aid for the poor, the work and its effectiveness of the Consumer Protection Bureaux that have now been established in many provinces. Also, low cost loans for persons with low income is a problem that you will recall, Mr. Chairman, was raised before your own Joint Committee on Consumer Credit when it sat a few years ago. As I say, I have not attempted to deal with these particular problems in my brief, but if senators wish to ask questions about them I would certainly welcome them.

I have focused in my brief on three principal submissions. First of all, I express concern about the fact that there are a large number of low income wage earners who are heavily in debt, whose earnings are so low that they really cannot afford to use credit at all. With a view to encouraging a more rational, sensible use of credit and discouraging the excessive granting of credit, I have suggested a number of steps that can and, in my opinion, should be taken.

My second submission is on the remedial side and focuses on the problems of low income families that are in fact over-committed. I am concerned with the lack of adequate attention and facilities for their protection and adequate relief. Under this heading I express particular concern about the provincial laws concerning wage assignments and wage garnishments, and I recommend strict regulation of all wage garnishments, subject to judicial supervision, and the prohibition of wage assignments.

Finally, under the same heading of relief for the overcommitted debtor—and may I add parenthetically, when I am talking about the overcommitted debtor I am thinking primarily of the low income consumer—I express the opinion that Part X of the Bankruptcy Act and the personal bankruptcy provisions of the Bankruptcy Act need prompt revision if they are to be of maximum benefit to those they should be designed to serve.

My third submission is that a complete overhaul of the Small Loans Act is long overdue. One, but by no means the most important, feature concerns the ceiling on loans subject to the act. Here I reiterate the recommendation made previously by a variety of committees and commissions, including your own, Senator Croll, that the ceiling should be substantially raised. The figure to which I refer is \$7,500. That is merely one possible suggestion. Other suggestions of a more flexible character could be made. As the members of the committee will see, the report of the Canadian Consumer Council last year to the Minister of Consumer and Corporate Affairs deals in some detail with the question of the loans ceiling in the Small Loans Act and other important changes that need to be made in that act. Finally, under the same heading of necessary changes in the Small Loans Act, I recommend, as others have done, that the administration of the act should be transferred from the Department of Finance to the Department of Consumer and Corporate Affairs.

These very briefly are my principal submissions, and I have attempted to elaborate each one of them. Since my brief is of some length it is very difficult to summarize is accurately within a few minutes, so with your permission I will attempt to pull out some highlights from the variety of information and views that I have attempted to present in my brief.

Perhaps what continually strikes me as of overwhelming importance is the fact that Canada today is in volume the second largest user of consumer credit in the free world. In terms of percentage of a person's disposable income we are as large as the United States, which is generally conceded to be

the largest user of consumer credit on a percentage basis. You would have thought that these very significant facts would have prompted governments and other responsible persons to pay particular attention to the impact of these statistics on the social and economic life of the nation. I am surprised that this has not happened. At least, it does not appear to happen. We appear to accept with equanimity the fact that consumer credit has grown and is growing at a much faster rate than any other important index of economic activity in our nation.

Sweeping generalizations in this area are always dangerous, but I venture to suggest that it is not accidental that those responsible for dealing with low income consumers continually complain about the readiness with which consumer credit is available to their clients. I think it is a direct outcome, and an almost inevitable consequence, of making credit as freely available as it is. Because credit is so freely available, because it is such a vital marketing technique in our consumer oriented economy, it seems to me that this goes a long way to explain why consumer credit has grown at such an explosive rate since 1948.

I cite figures showing that consumer credit has grown from about \$800 million to almost \$11 billion at the present time. That is an increase of well over 1,000 per cent. Of course, it is true that other things have also grown in our economy. Our population has grown 50 per cent; the gross national product has grown; the number of family formations have grown. But even taking all these factors into consideration, you will find that, with rare exceptions, consumer credit far exceeds those other indices.

Professor Ziegel: The Government should not accept this fact of equanimity, because I believe it has tremendous implications. The particular implications at the lower income level is that all the available reports show there are a large number of low income families heavily indebted and overindebted as well as the present serious problems for those called upon to advise them in the management of personal affairs and court officials to whom they resort for assistance when the credit is through them or their wages are garnisheed. We should be as much concerned about the prophylaxis of this problem of trying to prevent people from getting heavily indebted in the first place and help them once they find themselves in this dilemma. So far there have been few conscious attempts made in Canada to try and discourage the excessive granting of credit. We do have, at least at the provincial level, a number of measures and they are significant. The numbers vary from province to province, which indirectly may have this effect, although one cannot be sure. As far as I know, there have been very few conscious attempts to try and discourage the excessive granting of credit practices.

I recommend a number of measures put forth on pages 9 and onwards of my brief. I recommend strict policing of advertising and selling practices because they are very important in encouraging people to use credit. I also recommend, as I have mentioned before, a ceiling on loan charters, because the kind of risk the credit grantor is prepared to run, at least in the loan area, is directly geared to the maximum known charters that he is permitted to make. I recommend certain types of restrictions on creditors' remedies, both on humanitarian grounds, as I mentioned later in my brief, and also because I think we come to the point, Mr. Chairman, where we must realize that our judicial structures ought not to be turned into collection agen-

cies for creditors who, for one reason or another, are not willing to exercise sufficient care to insure that they grant credit to those persons who really can afford it.

I realize, as I made it clear in my brief, that with even the utmost care, the conscientious credit grantors will have losses. Those are not the ones, Mr. Chairman, responsible for the heavy amount of litigation, nor the ones responsible for the large number of garnishments and other collection remedies, and therefore they are not the ones who would be hard hit by steps taken to further restrict and regulate collection and enforcement techniques.

Under the same heading, on pages 11, 12, 13 and 14 of my brief, I dealt with the factor of consumer education as a means of trying to discourage the excessive use of credit by low income families. What I have attempted to say in this area is simply this: today, consumer education and information is like mother-hood—everyone improves it and everybody endorses it. It is one of those rare areas where credit grantors, consumers and government agencies are in full agreement. I think it is also one of those areas where we are largely fictionalizing and making assumptions about the types of consumer education available and its effectiveness—assumptions simply not warranted by the available facts.

I refer to a study recently made for the Consumer Association of Canada of which I am a member. It was a study made by the Canadian Association for Adult Education and I think it demonstrates the fallacy of much of our thinking about consumer education at the present time. Mr. Pummell, the author of the study, points out the available techniques and kinds of programs, largely if not wholly useless, from the point of view of low income families because they are not geared to their needs and level of understanding.

There is no meaningful and genuine communication between the so-called educators and people who are supposed to be educated. If governments, and I am talking about the federal and provincial agencies, are serious in wanting to try and inform educated low income consumers about the perils of consumer credit, they must wholly change their technique. It is useless to publish little brochures and leaflets and then send them out to thousands of well educated people, because they are not the ones who need this kind of literature. What is needed from the point of view of the low income consumer is the medium with which he is familiar and which he is inclined to watch. That medium by common consent is the TV, par excellence, with radio serving as a secondary importance. If you are going to use the TV media you must, in my opinion, pull no punches and must be as direct and forthright and imaginative in the use of informational techniques as businesses are in promoting the use of consumer credit.

Finally, and still talking about measures which I think governments can take to discourage excessive use in granting credit, is that the Government itself should take the subject much more seriously. I suggested, for example, that the Prices and Income Commission ought to keep a watchful eye on the growth of consumer credit, and likewise the Economic Council of Canada should study in depth its social and economic complications. Mr. Chairman, it is surely astonishing when we consider that we spend nearly \$11 billion a year in Canada and there is not a single text on either the economic or social aspect of consumer credit in this country. Furthermore, there are very few non-legal

studies in this area that are regarded as reliable from a scholarly point of view.

Turning to my next principal submission in the problems of relief of the overcommitted debtor, I am going to take a big jump. I think the area at the moment which needs the most serious attention is the problem of wage garnishments and wage assignments. I said in my Hamilton study that most of our provincial laws in this area go back to the nineteenth century and reflect a nineteenth century bias. There is a bias against debtors and in favour of creditors. This is understandable, because in the nineteenth century credit was barely beginning to manifest itself. Therefore, a person who did not pay his debts was regarded as a rather reprehensible and unworthy person. All this has changed. Today credit is the rule of the market place and credit grantors do everything possible to encourage its maximum use. If a person fails to pay, it is often as not due to the fact that he has been encouraged to spend excessively, as it is due to his own mismanagement of his financial affairs or other factors beyond his control. What concerns me particularly, Mr. Chairman, is that in most of our provinces it is still possible for a creditor to garnishee a worker's salary without a court hearing. In fact, it happens in the majority of cases. In effect, there are two results. One is that a worker faces a serious threat of immediate dismissal by his employers, because most employers deeply resent being turned into collection agencies, and I cannot say I blame them. But the second result is that when the garnishee is paid there is left an insufficient means of support for the family. As often as not, the family is more hurt than the man himself.

It is true that all of our provincial acts that permit garnishees on wages do grant certain exemptions of what might be called a basic sum; but, with few exceptions, they are totally inadequate and in the nature of things they never can be adequate. As every social worker knows, the needs of no two families are alike. It depends on the size of the family, on the type of work being done, the basic expenses of the worker whose wages are being garnisheed. None of our laws take this into consideration.

I have attempted to give an example in my brief as to what happens in practice in Ontario. It is a very representative example. I have shown that a person who earns \$110 a week gross and whose wages are garnisheed by a creditor would have left, after his exemptions, only \$77 gross per week on which to attempt to support himself and family. I point out that that \$77 is less than he would get if he were to give up his job and apply for welfare relief. If he applied for welfare relief and were a married man with three children, he would get around \$85 a week. Therefore, it seems to me almost scandalous that these laws should continue to exist, that can easily result in the garnisheed person becoming a charge on the public purse. This surely is not in the interest of society, of the debtor, or even of the creditor, since the person who goes on relief certainly is not going to pay his debts.

Therefore I urge in the strongest possible way that all levels of government should reform completely the law of garnishments, at least so far as workers are concerned, by not permitting garnishments without a court hearing and a court order. That is to say, it is a judge who would decide first of all whether a garnishment should be allowed at all and to what extent it should be allowed. Of course the extent to which it would be allowed would depend on the needs and means of the person whose wages were to be garnisheed.

It often happens, Mr. Chairman, that the debtor has many debts and it is not a problem of reaching an accommodation with a single creditor, but is a case of recasting the total debt structure of the particular debtor. This is where our bankruptcy laws come into play.

Our laws in this respect are almost as obsolete—and I am talking of the existing federal laws—as are garnishment and execution laws at the provincial level. There is need for a total recasting so as to bring the law into line with the reality and not with some unwarranted assumptions.

We have two sets of provisions in bankruptcy that are relevant. One is the so-called Part X provision, which enables the debtor to arrange a pro-rating of his debts under the supvervision of the court. The other is to put himself in bankruptcy under what is often referred to as the straight bankruptcy provisions in the Bankruptcy Act.

There are very serious shortcomings about both of these sets of provisions. I am not going to cite them here, because they are dealt with in some length both in my Hamilton study and to a less extent in my brief. I should like to refer to the major recommendation which I have endeavoured to make with respect to the Bankruptcy Act. I regard it as vital that one court official should have plenary powers to grant whatever remedy of relief is appropriate to the debtor who finds himself overcommitted. That remedy may be in the nature of a pro-rating order or it may be partial pro-rating order or a partial release of the remaining debts or may involve a complete discharge of all the existing debts.

What does seem to me vital is that the jurisdiction should not be divided among a number of officials so that the debtor is shunted from pillar to post. That is what happens at the moment. Just as a hospital has all the necessary services available under a single roof, similar services should be readily available to the debtor, without cost to him.

One not insignificant fact to which I draw attention is that the available statistics show that 30 to 40 per cent of the debtors currently making use of statutory or voluntary pro-rating schemes tend to fall behind in their payments or stop payments altogether. In other words, this is an indication of the percentage of over-committed debtors who are really so insolvent that they could not hope to pay off their debts within a reasonable period and who therefore need easy and readily available bankruptcy facilities.

I point out that in the Montreal study we found that, if we project the payments made by debtors during the first year of inscription, over a five-year period, at the end of that period just under 40 per cent of the debtors would have discharged their debts in full. It may be that in Montreal or in Quebec generally the problem of over-indebtedness is more serious than in other provinces. Whether that is so or not I would not venture to say at this particular moment. I can say with reasonable certainty that the percentage of hopelessly insolvent debtors in the other provinces is not much less than we found it to be in our Montreal study.

Mr. Chairman I have already exceeded the time limit you were kind enough to give me. Perhaps I should in turn allow myself to be the recipient of questions from the members of the Senate.

Senator Fournier: Mr. Chairman, I listened to this very attentively. The last part of it belongs to the judicial or court area and as I am not a lawyer I shall not discuss that. I was interested in some of the recommendations on easy access to credit. This is something where we find people all agree that in most of the stores today, even in Ottawa, if you go in and wish to pay in cash, the store people look at you and think you are crazy to pay cash. Therefore, many people act on the advice to buy now and pay next year. I wonder if that has gone too far.

Professor Ziegel, you mentioned also that we should discourage this type of business and that the Government should take action. I doubt if "discourage" is the proper word, I would say "prevent". Now, how would you prevent it? I know this is not an easy question to answer. How would you do something to prevent it? What would you recommend?

Professor Ziegel: I have recommended a number of steps, senator. I should like to make it clear that I am not recommending the abolition of consumer credit—not at all. That is not the point. The problem is to ensure that it is used properly with discretion, that the growth of the credit bears some reasonable relationship to the growth of our economy in general. But this is not what has happened. You see, in terms of the seller or credit granter and in terms of the buyer it is such an easy mechanism: the seller moves goods and services that much more easily; the buyer can get the goods and services today, and thinks only in terms of payment tomorrow.

This is unlike any other marketing technique we have on the market. You may be told that a commodity is good, desirable, will make you beautiful or make you wise and intelligent; but none of the previous marketing techniques have been remotely as persuasive as the one that tells you: "Look! You want to go to Hawaii? Why wait? You can go today. Pay us over two years. You want to buy that coat you have looked at all this time? Don't be foolish. Don't save money for it. You don't have to make a downpayment."

It is this kind of thing that we have to try to discourage. We have to try to discourage the excessive granting of the use of credit. This requires fairly subtle techniques, but the techniques are available.

Senator Fournier: I understand everything that you have told me. We have heard it before. You are right in what you are saying, but how is it possible to prevent some of these things from happening? We are dealing with human nature. Women and men go into the stores and they see things available to them. They take those things. That is human nature. But have you any ways and means to tell an individual that he should not do so, or is it simply left up to him?

**Professor Ziegel:** No. As I say, my brief sets out half a dozen approaches that are available to discourage the excessive granting of credit.

Senator Fournier: I am not satisfied with the word "discourage". I would like to see these things prevented.

Professor Ziegel: I use the words "discourage" and "prevent" fairly interchangeably. After all, it is impossible to attach a mathematical qualification to these terms. All I can say is that techniques are available, techniques that have been used in

other countries, and techniques that I think could usefully be used over here.

One technique that has been heavily used in other countries, Senator Fournier, including France and most western European countries at one time or another, is insistence upon a downpayment and the restriction on the duration of the repayment period.

**Senator Fournier:** Then would you say, to make a long story short, that a downpayment would be one of the recommendations you would make?

Professor Ziegel: No, I would not. The reason I would not is that today consumer credit is available in so many different forms that that is a very difficult technique, as the Government found out when earlier this year it announced its intention of imposing downpayment requirements.

What does give me concern is that the Government did not withdraw the regulations because they thought they would be too difficult to apply but withdrew them because they thought they were no longer necessary. This is some indication of a lack of adequate attention being paid by the federal-provincial officials to this extremely important phenomenon in our economy.

Senator Fournier: Do I understand, then, that a downpayment would be at least part of the solution that you would recommend?

Professor Ziegel: It is not referred to in my brief.

Senator Fournier: All right. You do not agree with me. On another level, this committee deals with consumers who are poor people. And yet when I go into the stores at, for instance, Christmas time, as I will be doing again this year, I see hundreds of poor people buying things with relief money, things they should not be buying because they cannot afford them. Nevertheless they fill bags with these things that I cannot afford to buy because I have to work for a living. But these people do not work for a living. They can buy these things because they have access to this easy credit. Is there anything I can do to stop them or prevent them from making these abuses? That is my question. Do not give me a long lecture now.

Professor Ziegel: You are asking me to provide very simple solutions to much more complex problems. If we were in the Soviet Union the solution would be very obvious. You would just stop it, period. But we are not. We live in a democratic society and by necessity we have to take into consideration many different points of view and different types of outlook. So our measures are much less draconian in character and we do things as much by persuasion as by direct direct legislation.

The answer to your question is that there are things we can do, yes. One thing we can do is to tell the creditor, "Look here. If you knowingly extend credit to someone you ought to know is not in a position to pay for it, we will either get an injunction to stop you"—and that is now being done in the United States—"or we will not allow you to collect your debt."

The Chairman: Under what circumstances do they get an injunction?

**Professor Ziegel:** The provision I am referring to, Senator Croll, is contained in section 6.1 11 of the Uniform Consumer Credit Code, which authorizes the administrator under the act to apply to the court for an injunction against a credit granter who uses unconscionable practices.

The Chairman: You have that in your brief already.

Professor Ziegel: That is right.

Senator Fournier: I agree with what you are saying, but again you are extending your answer beyond what I am interested in listening to at the moment. I am going to just put to you another example. A woman goes into a store and buys \$20 worth of worthless goods. If she had to make a downpayment first that might prevent her from doing so. If the storekeeper said "Madam, you have to pay 20 per cent before you can take these goods away", would that have some effect? Would you please say yes or no, and I will be satisfied.

**Professor Ziegel:** The answer is yes. European experience clearly shows it.

Senator Fournier: Thank you.

Professor Ziegel: We must be fair, however, Senator. If you insist upon a downpayment in a store you must insist upon a downpayment when you are buying airline tickets. And what are you going to do about consumer loans? There is nothing to prevent the consumer from running around the corner and getting a loan from a small loans company or from a credit union in order to get the cash to pay for the goods.

It is reasoning such as that that makes the application today of downpayment laws so extremely difficult. It is not that there is disagreement with the effectiveness of downpayment laws but rather that it is so difficult to apply them today, given the variety and complexity of our consumer credit devices.

**Senator Fournier:** Thank you. It is wide open for argument, now, Mr. Chairman.

Senator McGrand: On page 12 you show a table giving the educational level of debtors. How do you explain that? Do you attribute the absence of indebtedness to the fact that people are better educated or are you suggesting that better-educated people are in the higher salary brackets? What I am wondering is whether you associate the debt involvement with the personal I.O. that a person has.

Professor Ziegel: No, sir.

Senator McGrand: Not everybody who is poor is in debt; and many people who are well paid are head-over-heels in debt.

Professor Ziegel: There is no known correlation between the level of indebtedness and the level of education, but what is true is that the person who is better educated has a higher income and has greater resources to fall back upon in times of emergency. You are quite right, incidentally, in pointing out that there are many middle-class people who are just as heavily in debt as are poorer people. But if the middle-class people are heavily in debt they can either fall back upon their savings or the equity in their homes, or they can substitute a lower-priced

car for a more expensive model or they can even borrow from their relatives.

Senator McGrand: Thank you. Now, it would seem evident from this Hamilton study that North Americans are more likely to get into debt than other people. And, of course, those born in Canada are North Americans. I forget which table you used, but you will have it there. I take it that North Americans are more likely to get into debt than Europeans or Asians. This is something that I think is very important, so I wonder if you would just discuss that.

Professor Ziegel: Well, I am not a sociologist, senator, and I can only give you the rather amateurish views of a humble lawyer. Perhaps after I have given my impressions I might invite Mr. Wheeler to supplement them. I would say that this is a reflection of the different mores of the new Canadian. He comes from an environment where saving was esteemed and encouraged and where credit was either unknown or discouraged, and he is not likely to change those habits overnight.

Senator McGrand: You are not getting down to the basis of this. It seems to me that in European countries, or at any rate in most of them, where they run a very tight economy it is based on thrift, while the North American concept of doing business is to "use it and throw it away". To me these are the two philosophies that contribute to either involvement in debt or not buying at all.

Senator Cook: Why do middle Europeans come here?

Senator McGrand: I don't know.

Senator Cook: Because we have a higher standard of living.

**Senator McGrand:** Or because of the wide open spaces here.

Professor Ziegel: The polluted open spaces.

Mr. Michael Wheeler, Regional Director, Reseach Department, Canadian Welfare Council: Perhaps my contribution to this as an immigrant who came here from the United Kingdom nearly 20 years ago might have more relevance than my view as a so-called sociologist. I am not at all sure that a sociologist can add more to what a "humble lawyer" has pronounced. I think these distinctions between the ecos, the values and economic practices of the North American on the one hand and the European on the other are disappearing, and the practices are tending to merge, with the North American practices predominating for very good reasons.

I think it is significant that this point you have commented on in the reports is to the effect that the people born outside North America tend to have less debt than those born in North America, but I would not make too much of that because the statistical correlations are not all that strong, and I think it is significant too that of the people who have come from Europe to North America, those who have been here a shorter time tend to have more debts than those who have been here for a longer time. Therefore I think it is more correlated with age—the older the person, the less debt he has. If they come from Europe when they are older, they could well have brought with them these attitudes of thrift. Moreover, the older you are the less claims on your income. I think this is another factor which

we should recognize—that younger families get into debt more because the needs of younger families are greater.

Senator McGrand: Then the attitude of thrift has a definite place in indebtedness.

Mr. Wheeler: Yes, indeed. That is true. I do not think one can deny that.

**Senator Carter:** Mr. Chairman, I must apologize for being somewhat late but I had to attend another meeting. I made a second mistake in that I brought the wrong brief with me.

Professor Ziegel, I have not been able to study your brief as thoroughly as I should like, but I gather the burden of your brief deals with credit, particularly credit and the effect of credit on the lower-income groups. Would you say, Professor Ziegel, that credit is a norm of everyday life? Everybody gets credit cards these days. I got two yesterday and another two the day before. I expect to have about 20 by the time the year is up.

Professor Ziegel: My answer to that question is obviously yes. The statistics that I myself cite clearly support this conclusion. But I do not know what you mean by "norm". If you mean is it a common phenomenon, the answer is obviously yes. But if you are saying, is this an imperative value?, then that of course is entirely different matter.

Senator Carter: What I meant by norm is this; is it available to everybody? Then insofar as it is not available to a certain group, that group is sub-normal in some way and is discriminated against. Would you say that?

**Professor Ziegel:** Those are fighting words. First of all, I think we must be careful when we talk about credit being available to everybody. As a broad statement, it is correct.

Senator Carter: The normal thing is that the average Canadian today has credit available to him.

Professor Ziegel: But you must be careful, senator, because there are different types of credit and many different types of credit-granting institutions. Low-income consumers are often excluded from the low-cost type loans or credit facilities. This in itself, it seems to me, ought to be a cause for concern. As I point out in my brief, the Montreal statistics and statistics from other parts of the country show that financial companies, particularly consumer loan companies, are the largest single creditors of low-income debtors who get into trouble. Now the consumer loan companies are high-cost loan agencies and therefore you have the paradox that those who can afford to pay less for the cost of credit are paying the most. Now I am not saying I blame the consumer loan companies for this fact; there are good reasons to explain the high cost structure. But I am saying that we do have this paradoxical situation that ought to give us concern.

**Senator Carter:** I am not sure which of two things you are saying. Are you saying that low-income groups should be restricted with respect to credit in some way, or are you saying that they should be protected against loan sharks?

Professor Ziegel: I am saying both things, senator, because one of the things I tried to stress in my brief is that many low-

income consumers cannot afford to use credit at all. This is one of the great fallacies of contemporary life. You talk about everybody being entitled to have it, but the facts are that a large percentage of Canadians are not earning sufficient to justify using consumer credit. This is brought out very clearly in the Hamilton study which shows that 25 per cent of the families studied were indebted to the tune of 25 per cent or more of their gross income. It showed also that families earning less than \$3,000 a year were actually spending more on basic necessities than they were earning. I showed that in our Montreal studies, almost 75 per cent of our families had a net family income of less than \$5,000. If you correlate that to the average family size and the basic necessities, there just is not anything left for consumer credit and yet these people were all heavily involved in consumer credit. This is what leads me to my conclusion that there are many families in the low-income spectrum who really cannot afford to use consumer credit at all.

If you say, "This is unfair, why should not they be able to buy a TV set or a deep-freeze on time?" I say that if you feel that way—and you may justly feel that way—then our society must provide for the kind of income that will enable them to engage in the same kind of credit practices as our middle-class citizens. If you are not willing to assure them that kind of income, then I would regard it as morally and socially wrong that this type of people should be encouraged to use credit as freely as they do.

Senator Connolly (Halifax North): Hear, hear.

Senator Carter: There are two groups we are dealing with. One is the group you mentioned, that has credit available and cannot afford to take advantage of it or should not be. The other group is those to whom credit is not available. To the extent that this second group consists of the working poor, these people consider themselves as second-class citizens.

Only last Tuesday we had a witness who told us, I thought, a most touching story of her personal struggle to establish credit. She applied to Eaton's for a credit card. She was working, but she could not get it; Eaton's wolud not have anything to do with her. Then she went to a bank and borrowed something like \$100. She sacrificed to establish credit with that bank, to pay off that loan and to get another one and pay it off. I asked her why she did it. She gave two answers. One was that it enhanced her dignity as a human being, and without that she was less than the average Canadian. The second answer was that it gave her a sense of security, that in the case of emergency, if a debt arose, she felt that she had established credit and could go to the bank and get credit. What do you have to say about that?

Professor Ziegel: A great deal, senator. First of all, as I mentioned earlier, it is quite true that different types of credit granters have different credit standards. The banks, for example,—and this is well borne out by available statistics—typically cater to middle-class borrowers and do not cater on an extensive level to the people at the lowest end of the spectrum. It may be true also that department stores are a little fussy, although I would want to see some reliable statistics before I form any opinion.

However, I can assure you, senators, from files that I have myself seen, that the consumer loan companies go a long, long way to try to accommodate any person whom they think, or

perhaps even hope, will be in a position to repay a loan. I have described them in my brief as the "poor man's banker", and in a very real sense they are that, because they make a specialty of catering to the loan requirements of low-income consumers, not exclusively, but to a very large extent.

You asked me what we do about the person who wants to acquire credit respectability and have the right of access to cerdit. My answer is the same one as I gave you before. I agree entirely they should have the same kind of facilities and rights as the rest of us, but, surely, they should be contingent on their having a reasonable level of income—that is, above the subsistence level? Therefore, if we, as members of our society, are concerned about status, I think we must start by providing them with the kind of income that will justify their using substantial amounts of credit.

Senator Connolly (Halifax North): Mr. Chairman, may I interrupt for a moment with a question to the witness? Would you agree that there are certain types of people who, in the realm of credit, must be protected against themselves?

Professor Ziegel: Yes, undoubtedly.

Senator Connolly (Halifax North): That is all, Mr. Chairman.

**Professor Ziegel:** But I would add the qualification that in this area things are not self-generated but are really spontaneous. When credit granters say somebody was reckless in buying more than he should have bought or did not balance his own budget, I think they are overlooking the important influence of advertising on encouraging this type of people to over-spend in the first place.

Mr. Wheeler: Mr. Chairman, I would like to comment on Senator Carter's remarks about the woman who acquired a sense of dignity from having this credit available, and also a sense of security knowing it was there in case of emergency.

I think it is important to recognize, as indeed your Consumer Credit Committee did, that there are very constructive uses of credit for low-income families, where the investment of money in certain articles can be an economy. I am thinking here of a washing machine—

The Chairman: Household articles.

Mr. Wheeler: Yes, household articles, and we should really give more thought to ways in which low-interest loans can be made available to people with very modest incomes.

The Chairman: One of the recommendations of the committee on Consumer Credit had to do with household articles for young people, young married people and others. We had particularly in mind at that time Indians coming off the reservation, to try to give them, guaranteed by the Government, enough money at a low rate of interest so that they could establish a home for themselves. That was the purpose in mind at that time. It was not one of the things picked up. They picked up a lot of others and they gave consideration to that, and I think they still are. That is what you had in mind?

Mr. Wheeler: Yes.

The Chairman: But that lady that Senator Carter spoke about really made up her mind that she was going to get credit at one

of the big stores—Eaton's or Simpson's or The Bay in Winnipeg. She went all around the bush, but she got it. I do not know what good it did her in the end, but she certainly won the battle.

Senator Connolly (Halifax North): I would not feel sorry for a person of that kind, but glad. We need more of them in this country.

The Chairman: She was as determined as could be.

Senator Carter: I question what good it did, but I could see that it would have a psychological advantage for this woman. There was a goal she was determined to achieve, and, by golly, she went through fire and water to do it.

I would like to ask a question about the Small Loans Act with regard to regulated loans. You still do not think the Small Loans Act is satisfactory?

Professor Ziegel: No, far from it. I think it has been an excellent act in the past, from many points of view. It was certainly an enormous improvement over its predecessors, but I think there are now two major defects. One is that the ceiling is much too low and completely out of touch with reality. The other is that the whole credit picture has changed, and that we need a completely revised Small Loans Act which is concerned not merely with a ceiling on charges but also with other practices of lenders and credit granters which today have as important an impact on the borrower as has the cost of the loan. For example, the problem of wage garnishments is one. The problem of misleading advertising is another. Senator Fournier asked me earlier about preventing the excessive granting of credit. Misleading representations here are very commonplace. I remember when I taught at the University of Saskatchewan I received an advertisement from a local loan company which said: "Do not borrow your money, rent it".

Senator Fournier: They use it over the radio in my region. You rent money; you do not borrow it any more.

**Professor Ziegel:** Then there is a lot in common between east and west.

Here we have one example of misleading advertising. Another one tells you that the credit is cheap—a very common form of advertising—when, in fact, it may be anything but cheap. Then we have the distribution of unsolicited credit cards or promissory notes. I have added as an appendix to my brief an example of an unsolicited promissory note which practically begs the consumer to go into debt.

Given this type of environment and marketing technique it is not surprising that we have so many low income consumers who are over-indebted. It would be surprising if it were otherwise.

**Senator Inman:** I have just one question to ask, Mr. Chairman. I am interested in what Professor Ziegel said about garnisheeing people, and how little they had left. Would you suggest doing away with the garnishee law? Where would you draw the line?.

**Professor Ziegel:** No, I am drawing a middle path, senator. What I have said is that no garnishment should be permitted without a court order or without its being under court supervision. There is nothing radical about this. I would cite as an

example the typical case of a separation or maintenance order made against a husband. How does the court determine what shall be paid? It determines it by taking an inventory of the husband's earnings and other means, and deducting his basic needs, and then determining what is needed by the wife and other dependents. So, it is an inquiry to determine what is reasonable in the circumstances, but this is not what happens in respect of garnishments. I think I am correct in saying that in every province all that a creditor does, once he gets a judgment, is to push in a garnishment order. It is not heard by a judge; it is an automatic order of the court directed to the wage earner's employer saying: he is required henceforth to pay into court a percentage of the salaries due to the debtor.

**Senator Inman:** I understand that, but what I am getting at is that a person could be forever in debt. He could pay off that garnishee, and then get in debt again. What can be done to restrict his repeatedly getting into debt, and never getting ahead of it?

**Professor Ziegel:** In those types of cases, senator, the debtor should be able to have recourse to a flexible and suitable bankruptcy act.

The Chairman: Professor Ziegel, I know what you are getting at, and the committee knows, but even those people who get themselves involved are horrified the minute you mention bankruptcy. They just do not like it. They do not like to feel they are bankrupt. They feel as though they are completely lost. Short of that, is there anything you can think of that anyone is doing?

Professor Ziegel: Yes, we could have a modernized and civilized procedure. If a judge saw that he was dealing with a credit debtor he should be able to say: "Look, you need more than just a hearing of this particular problem. You have other problems. I will send you over to another official in this building who specializes in this area. He will review your whole circumstances and make certain recommendations." I suggest that there should be something comparable to what happens in a hospital. A doctor sees the contiguous problems that account for the overall state of your health, and he sends you on to the next specialist or expert with a view to trying to treat all of your symptoms rather than just one of them.

I think in cases of chronic debtors we have to take a similar approach. This is generally appreciated by the people who work in these areas, but our laws as they stand at the moment are not calculated to facilitate or, indeed, even to encourage this type of approach. I could speak at some length on this.

Senator Fournier: I just want to clear up a statement I may have made, and I would like to have the record corrected. I think I said to Professor Ziegel: "I have heard enough about you". If I said that then I apologize. I did not mean it in that way. What I was intending to say is: "I have heard enough of the questions, but certainly not enough about you." I want the record straightened because I did not mean it in the way it may have sounded.

The Chairman: I did not gather that at all.

Professor Ziegel, is there any part of the country to which you can look for an example? Has the United States, for example, dealt with this matter of garnishments in a way different

from our way? I am thinking of forgiving 70 per cent of the debts, or some such provision as that.

Professor Ziegel: Well, the federal Consumer Credit Protection Act, passed by Congress in 1968, contains restrictions on the amount which may be garnished, which is directly geared to the cost of living and the minimum statutory wage, and there are also restrictions in the Uniform Consumer Credit Code. But, I do not think either of them are really satisfactory because circumstances vary too greatly. I feel very strongly that a garnishment order should not be issued at all without a court hearing to determine the debtor's individual circumstances and what, if anything, he can afford to pay.

Senator Cook: First of all, I should like to congratulate you gentlemen upon this brief. It is a most interesting and thought-provoking document. I cannot agree entirely with your suggestion of interference with the granting of credit. First of all, I think it is a matter that is almost impossible to police, and whether credit is granted depends upon the individual judgment of the manager of the loan company or such other person. I think it is awfully hard to police, and I think in order to protect, shall I say, some of the guilty the innocent may suffer. In other words, if you interfere too much with the granting of credit then a number of people who desire credit and who use it well might be affected or prevented from getting it.

I am terribly impressed by, and I agree completely with, your paragraphs 24 and 25 on pages 23 to 25 of your brief. Thirtyfive years ago I presented a brief to the Kent Royal Commission in Newfoundland on Fisheries, in which I advocated that there should be a poor man's bankruptcy. The fishermen in those days who were on the truck system were deeply in debt to the merchants, and so on, and I advocated that they should be allowed to become bankrupt and to get a discharge upon proper safeguards from the magistrate's court, or even a justice of the peace. I pointed out that at the time of Charles Dickens people were put in jail if they could not pay their debts, but when it was discovered that there was no profit in that the debtor's assets were taken and divided amongst his creditors. But then they arrived at the conclusion that unless a debtor had some assets he could not go bankrupt. So, you had the extraordinary situation in which the people who needed the relief most, the poor people, could not get that relief under the act.

I have not practised law for a number of years, but I am extremely interested in paragraphs 24 and 25. I would like to see them developed in order that the overcommitted would get bankruptcy easily and quickly to afford relief. That in itself would act as a check on some of these so-called loan sharks. They would realize that when the screw became too tight these people could be released. I congratulate you and am in entire agreement with these paragraphs.

The Chairman: That is available to every province on proclamation.

**Senator Cook:** The brief points out that in its operation it is not so easy as it seems:

It is cumbersome, much too formalistic, and prohibitively expensive from the debtor's point of view.

Paragraphs 24 and 25 to my mind show certain weaknesses in the law which should be corrected.

**Professor Ziegel:** I am delighted to have your support, senator. I do wish to clarify a possible misunderstanding. There are two parts of the Bankruptcy Act which concern us, one being the so-called straight bankruptcy provisions and the other Part X.

I assume that when Senator Cook was speaking earlier he was referring to the straight bankruptcy provisions which enable a fisherman to obtain a complete discharge of his debts, not simply a prorating order. Any debtor in Canada is entitled to file a petition in personal bankruptcy. However, I attempted to point out, both in my Hamilton study and the present brief, that practically it often is not available, because of the enormous expense. From the point of view of the average debtor it is enormous, because it costs up to \$500 to retain the services of a private trustee in bankruptcy.

In Ontario the Association of Trustees in Bankruptcy now offer to handle a certain number of cases free of charge. I think this is a generous offer on their part, but I do not believe it answers the problem. The number of debtors is far too large for them to handle. It should not be a matter of charity.

Senator Cook: It should be by public trustee.

The Chairman: In Manitoba and Alberta the trustee prorates debts almost without cost.

**Professor Ziegel:** No, with respect, I think you must be thinking of Part X.

The Chairman: Yes.

**Professor Ziegel:** That is administered by the clerk of the court. I say that if you have already facilities for handling Part X applications there is absolutely no reason in the world why the same clerk should not handle a petition in bankruptcy.

The Chairman: Part X is the part of the act which can be accepted and proclaimed and which permits it.

Professor Ziegel: That is right.

The Chairman: You say that if that can be done then the bankruptcy should be treated in the same manner. That is also what Senator Cook says.

Professor Ziegel: Yes.

The Chairman: So your brief in that connection did some good some years later.

Senator Carter: You criticize the Small Loans Act with respect to the amount of loan. Have you any criticism of the rates of interest?

Professor Ziegel: Permitted under the act?

Senator Carter: Yes?

Professor Ziegel: It has often been said that the permissible rates for loans between \$1,000 and \$1,500 are unrealistically low. I am inclined to agree with that criticism. Apart from that, I have no quarrel with the rate structure under the Small Loans Act.

You will have noted, however, that in the report of the Canadian Consumer Council to the Minister of Consumer and Corporate Affairs last year we recommended that the rate structure in the Small Loans Act should be handled by an independent tribunal so as to make it more easily adjustable and flexible. You will appreciate that in the last few years we have seen a very heavy increase in the borrowing rates. This, no doubt, has discouraged small loan companies from making loans in the \$1,000 to \$1,500 area, because it does not pay them. Therefore what often happens in practice, and I have seen the files to prove this, is that if the borrower asks the small loan company to borrow \$1,400 they offer a loan of \$1,550 rather than \$1,400. In this manner they are without the Small Loans Act and are free to charge whatever they like. This is the type of situation that gives me concern and needs to be rectified.

**Senator Carter:** What are the rates for loans under \$1,500? One per cent per month?

**Professor Ziegel:** No, it is a rate structure of 24 per cent per annum, or 2 per cent per month on the first \$300 of the loan; one per cent per month, or 12 per cent per annum for that portion of the loan between \$300 and \$1,000; and one-half of one per cent per month, or 6 per cent per annum on that portion of the loan between \$1,000 and \$1,500.

Senator Carter: What would that work out to on average?

**Professor Ziegel:** A loan of \$1,000 would cost just under 18 per cent, assuming the loan would be repaid over two years. One can easily obtain the overall rates from published tables and the reports of the Superintendent of Small Loans.

Senator Carter: And you say the companies claim it does not pay them to make a loan at that rate?

Professor Ziegel: Not between \$1,000 and \$1,500. A loan of \$1,500 under the Small Loans Act averages out at just under 14 per cent today, when the banks are charging 12 per cent for consumer loans. They, of course, are much better equipped to give low cost loans than are the small loan companies. It is understandable that the small loan companies say it does not pay them to grant these loans. I think that is a fair assessment of the present situation.

**Senator Carter:** They are still charging more than most firms charge for service charges on an appliance costing \$500 for instance.

The Chairman: It costs 18 per cent or 24 per cent.

Professor Ziegel: This is another aspect of consumer credit where an active and meaningful educational campaign by Government is badly needed. The average consumer really does not appreciate the cost of credit to him. He is not encouraged to think about it, but is told he can obtain these goods today without a down payment and simply pay so much a month, which obviously is well within his monthly income. He is not, however, encouraged to think that it is costing him in some cases up to 30 per cent per annum to buy the goods on time or to make the loan. In many instances he might well be better off to wait a few months to save up a substantial amount

of the cash than to buy on impulse and then be faced with very substantial finance charges.

**Senator Carter:** Would you say that service charges should be regulated by law?

**Professor Ziegel:** In the Province of Quebec finance charges for purchases up to \$800 are already regulated. The problem with respect to service charges on goods, senator, is that it is so easy for a creditor to bury part of the cost of the credit in the cash price of the goods. That happens not uncommonly.

The Chairman: Professor Ziegel, I must say that this is not the first occasion on which you have appeared before a committee of Parliament, either Senate or House of Commons. You have always been very helpful to the poor and the consumer, who need protection. Your contribution in the field of credit has been an outstanding one.

I also thank Mr. Wheeler, who is very much associated with this problem, for coming here today and taking the time to prepare the brief which we very much appreciate. It is something that is vital to our poverty stricken people. We have had only one bit of information from the Department of Consumer and Corporate Affairs on this in the early stages; this has been the second.

On behalf of the committee, I extend to you our very warm thanks. Thank you.

The committee adjourned.

APPENDIX "A"

BRIEF

to the

SPECIAL SENATE COMMITTEE ON POVERTY

Submitted by the

Pharmaceutical Manufacturers Association of Canada 141 Laurier Avenue West, Ottawa

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### 1. INTRODUCTION

- 1.1 Mr. Chairman, Honourable Senators it is indeed an honour and a privilege for us to have the opportunity to make a presentation to this Committee. You are to be commended for embarking on such a broad-ranging public analysis. We feel that the definition and adoption of a policy for all aspects of poverty in Canada is vital to our nation's continuing advancement.
- 1.2 We will use the terms "poor" and "poverty" throughout our brief much in the fashion of abbreviations. Be assured that we are deeply aware that behind these terms stand real people disadvantaged Canadians who are pensioners eking out a living, inner-city dwellers, Indians on reservations, natives of the far North, the transient young, and a variety of others.
- 1.3 The pharmaceutical manufacturing industry in Canada is a science-based, research-oriented industry dedicated to improving the health of all mankind through better medicines. As such, we feel it is our duty to make a presentation to you regarding the nature of our industry, what we have said relative to poverty, what others have said, what we are doing in this area, some useful suggestions and some future plans.
- 1.4 In no way do we pretend to have final answers on the total problem of poverty, but rather, we can offer some comments based on our extensive knowledge of our specialty the provision of safe and effective medications. In order that your Committee can put our submission in perspective, we have attached in Appendix "A" a description of the Pharmaceutical Manufacturers Association of Canada (P.M.A.C.), its objectives and some of our accomplishments.

## 2.0 WHAT HAS BEEN SAID

- 2.1 Over the last decade much has been written by and about the pharmaceutical industry. In order to provide you with a single reference document we have reviewed the mass of material and extracted those portions dealing with poverty. Although our past representations dealt primarily with other matters, a surprising body of Association opinion on poverty had been built up showing our concern that the poor should share equally in access to pharmaceuticals of high quality and proven effectiveness.
- 2.2 In one of <u>PMAC's</u> briefs almost a decade ago, <u>in October</u> 1961 to the <u>Restrictive Trade Practices Commission</u>, we stated:
  "We further submit that the prices of drugs in Canada are actually low in relation to the comparable purchasing

actually low in relation to the comparable purchasing ability of the average Canadian. If a problem does exist, then it is with a small percentage of the population, which,

for reasons of substandard income or chronic illness, finds it difficult to purchase all commodities including drugs."

".....there are the relatively few cases where a long-term user of drugs, even though he is making an adequate wage, is faced with substantial medical bills for doctors' fees and drugs, and has difficulty paying them. He is classed as a medical indigent."

"There is no doubt that the small number of economic indigents in our population require serious consideration, but this is no indication of the high price of drugs, any more than a family which cannot afford shoes for its children is an indication of the high price of footwear."

- 2.3 The Association recognized that the problem of drug purchases by the small percentage of indigents in this country was a matter requiring a social solution.
- 2.4 Should a segment of the population for economic reasons be unable to avail itself of the established services, then efforts must be co-ordinated to devise a solution to this problem.
- 2.5 In the <u>PMAC</u> brief to the <u>Royal Commission on Health Services in May 1962</u>, some socio-economic considerations were studied.

"If we concur with the principle that pharmaceuticals contribute to the health of the people, then we must determine what effect this improvement has on the economic welfare. Obviously, by curing a working man of an illness or disease, we enable him to return to work and so make his contribution to the labour force."

"The economic contribution of a citizen is the by-product of his health and ability to work. This, in turn, produces greater output per head of population and has a direct relation to the productivity of the economy."

2.6 A socio-economic study undertaken by Arthur D. Little Inc. and based on the influence of pharmaceuticals of the health of the U.S.A. found:

"...we estimate approximately 4,400,000 working-age people are survivors from all of the possible causes of death, had the 1935 rates persisted." (A similar Canadian study showed over 1 million lives saved since 1930). "This is the result of the combined efforts of many organizations, professions, and enterprises...people engaged in medical and pharmaceutical research, production and distribution, who make these products available on a mass scale to the hospital, the physician, the pharmacist, the public health services, and voluntary health agencies."

"The point that good health is a right possessed by all and not a privilege to be enjoyed by those who can afford to pay, is accepted. There can be no question of the fundamental need. It is the obligation of the majority of the people to provide for the minority, should a need exist."

"This is based on the premise that medical services alone are not the sole criteria of the health of the people. Shelter and food are equally important, yet some Canadians find it difficult to maintain what might be considered minimum standards."

"While it is true that adequate medical services is a right possessed by all, it is equally true that this carries with it a sub-right to the finest medication available. Any scheme which tampers with the physician's

freedom to prescribe must necessarily limit the pharmaceutical advantages available to the majority of the people. Under such circumstances, the rights of the majority could, in time, be seconded to the economy of the minority."

"To weigh the advantages or disadvanges...against the present need would require an extensive, socio-economic study of existing services and the percentage in and type of the population which cannot afford to purchase pharmaceuticals. Some information is available to indicate that this percentage is not large."

"True indigents are, of course, covered by the various municipal and provincial welfare agencies, with the arrangements varying according to the locality. Old age pensioners were usually supplied with medications by the attending physicians. Similar forms of assistance are provided under workman's compensation boards, Department of Veterans Affairs and similar government agencies, in addition to the medical, welfare and private insurance plans."

"Taking these facilities into consideration...leads to the conclusion that the area of precise need is sufficiently low to preclude the necessity for a comprehensive and costly solution to this problem."

"It would appear that this is particularly true of acute illness. On the other hand, chronic illness in the family can be a burden to the average wage earner, but this is usually a financial problem involving medical care in general and not merely phrmaceutical services alone."

2.7 It was noted that some rare diseases in the family can, in some cases, turn the wage earner into a medical indigent.

"While these diseases may be rare, they nevertheless warrant serious consideration."

"Chronic illness in the aged is one of the greatest single problems in the broad area of medical services. The prolongation of the lifespan has intensified the need for geriatric care."

"It has been stated that the number of Canadians 55 years of age and over was 1,435,000 in 1961, or 7.8% of the total population. In addition, it is predicted that this figure will reach 1,845,000 by 1971. The Canadian Sickness Survey indicated that about 25% of those undergoing year-long illness in 1950 to '51 were 65 years of age and over. Here, chronic illness which does not require hospitalization, could have serious economic consequences for those so afflicted."

"As will be recognized from this review, the considerations involved in a form of social assistance to cover cost of pharmaceuticals do not lend themselves to superficial recommendations. The very complexity of the situation required a detailed and time-consuming study in order to define the prcise areas of need, before any suggested solution can be covered."

"With the hope that we may be able to assist the Commission in this respect, our association considered underwriting a socio-economic study of pharmaceuticals in relation to health and welfare in a broad sense.

The assistance of university personnel was enlisted for this purpose, but a preliminary study of the complexities involved resulted in a recommendation that our association not attempt a task of this magnitude."

"Not only would the cost of such a study be major, but the background information required is unavailable outside the government sphere.... It was with misgiving that we were forced to forego this project, for we believe that it is an essential precursor to determining the role of pharmaceuticals in any extension of our health services."

"We might add that we have reviewed claims made before other government commissions concerning the alleged problem of Canadians not being able to afford the cost of prescriptions. At best, these claims were based on isolated or individual cases and none was sufficiently documented to bear out the allegation in question; there was no evidence supporting even minor prevalency. On the other hand, it has been stated by the editor of the B.C. Medical Journal, in one of his editorials, that 'no person in this wide Dominion has to go without medical care simple because he can't afford it. Any statement to the contrary, we believe, is untrue. We must make sure that it can never be true.'

"The last sentence in that quotation is the key to the issue at hand. We do know from experience that medical practitioners use samples provided by manufacturers to assist low-income patients undergoing illnesses which require long-term use of medication. Physicians occasionally ask our companies for samples and even stock size packages for this purpose and, to the best of our knowledge, no such request is ever refused by a pharmaceutical manufacturer."

"While there can be no doubt that the great majority of Canadians are in a position to avail themselves of pharmaceutical services, we must be certain that no Canadian is forced to forego these services for economic reasons. We are convinced that this need can be determined only by a socio-economic study of the situation as it presently exists. While such a study is beyond our means and ability, it does come within the purview of government and we urge this Commission to recommend that it be undertaken."

"As part of our responsibility in this area, we freely offer to place our facilities at the disposal of this commission, or any government agency, which may be assigned the task of undertaking a study based on the needs of the people for the services we now provide. Towards this end, we are most willing to co-operate."

2.8 A final recommendation of the PMAC brief was that:

"A detailed socio-economic study be undertaken by the Commission similar to that of the National Sickness Survey, to determine the area of indigency, having regard not only to the incidence of chronic conditions requiring medical care over long periods of time, but also to the true inability of the patient to pay for such care. Based on the results of such a study, ways and means should be found to provide assistance to the needy which are not provided for through government welfare or private prepayment plans."

2.9 <u>The 1964 Report of the Royal Commission on Health Services</u> stated as a basic concept:

"...as we sifted through and analyzed these recommendations, we were impressed by the wide areas of agreement among Canadian citizens as to our most pressing health needs, from the present stage of our health services development, and on the necessity to extend the advantages of prepayment to all Canadians."

"The Commission believes that the individual's responsibility for his personal health and that of the members of his or her family is paramount to the extent of the individual's capacities. However, in this day of advanced medical knowledge and skill, these are not enough."

"In addition, the individual must assume responsibility as a member of organized society for meeting a fair share of the costs of providing health resources for the nation..."

"We seem, in a sense, to have become insurance minded, in that we now believe that individual families should not have to bear alone the full cost of risks that could happen to any one of us. Accordingly, if the resources of the whole can be used to strengthen the ability of families and individuals to manage and plan for themselves, then they should be so used."

"There is a growing concensus that since we do not know which of us may be afflicted, all should make a contribution to a common fund to assist those who are." The sickness survey of 1951 showed "the appalling social and economic cost to Canada of ill health, proving that the family and the nation pay heavily in terms of loss of production for failure to make available to all Canadian citizens the standard of health service we know how to provide. Nor is it only in loss of production that we pay. Many of our so-called welfare expenditures are the end result of illness, disability and premature death. Not all of these expenditures are avoidable, of course, but clearly many of them are."

"To the extent, then, that health expenditures prevent or shorten periods of sickness, reduce the extent of disability, postpone death, and contribute to the productivity of citizens, then to that degree health expenditures are investments in our human resources, with the prospect of rich dividends."

"Were it not for the device of prepayment, only a few at the top of the income scale in Canada could emerge from serious illness or injury without being financially crippled. The rationale of health insurance is now so well known and accepted that it scarcely needs re-stating."

"Many Canadians have availed themselves of the insurance mechanism, principally those who can afford the protection or those who are in employment where coverage is provided or subsidized as part of their working conditions. However large this group may be, this group is not large enough. The national interest requires that the risk must be spread over the whole productive population to cover everybody and not only those who chose to insure voluntarily."

"In detailing how the objective of a comprehensive universal health services program for the Canadian people could be accomplished, prepayment arrangements were defined as: a) financing within a province by means of premiums, subsidized premiums, sales or other taxes, supplements from provincial general revenues and, b) by federal grants, taking into account provincial fiscal need."

"After considering drugs as a health service, the Commission concluded, "On the basis of the evidence presented to us that it is the unequal and generally unpredictable incidence of heavy drug costs have given rise to the greatest concern on the part of the public, rather than what has been described as the "high cost" of drugs, as such. This concern continues to prevail, notwithstanding the fact that drugs are provided free or on an assisted basis to certain population groups by government and private agencies."

"In addition to the government-sponsored hospital insurance schemes and arrangements for the care of indigents, there is a third important method by which some users of drugs are assisted in meeting the cost of drug purchases. This involves

the private insuring agencies and companies writing health care policies. Such health care policies, which may be written for individuals or for groups of individuals now frequently extend their coverage to include drug expenditures."

"For 1960 there was apparently about 2,000,000 who had major medical insurance, (note C.H.I.A. state this figure to be over 6.6 million by December 1967), but it is not known how many of these were eligible as well for drug benefits. Recently a few voluntary, non-profit plans have also widened their coverage to include provision for drug benefits."

"Prepayment of or insurance against the costs of medical services has a long history among Canadians. It may come as some surprise that the first known contract for medical insurance in North America was introduced almost 300 years ago in the city of Montreal."

2.10 The Hall Commissioners reasoned as follows:

"That so far as the issue of compulsion is concerned, we believe that as long as decisions of this kind are made by democratically-elected legislatures, as long as they provide only basic essentials, and assure citizens free choice of physician and hospital and free choice of additional items against which they may insure through private arrangements, then we have confidence that our democratic ideals will not only be protected, but, in fact, more fully realized."

"Our recommendations are such that we wish to speed up the day when all have access to health services that will enable them to make their contribution to Canada's Welfare. Low incomes and poor health have been too closely associated for us to ignore the adverse effects on income distribution of chronic illness and disability. Expenditures on good health may well be as efficient a device for equalizing the distribution of income as any subsidy can possibly be. Nor is the cost of the best possible health care overwhelming, and Canada has the resources - let there by no mistake as to that - and the competence to implement a comprehensive health services program for all her people."

2.11  $\cdot$  In a second volume published in 1955, the Hall Commission stated:

"The discovery and development of the new drugs and medicines require expensive manufacturing equipment, research facilities and highly-trained personnel. No longer is the pharmacist expected to extract, synthesize, prepare and compound the new medicaments. During the last two or three decades, the method of dispensing drugs has completely changed. A quarter century ago, approximately 80 to 90% of the prescriptions written required basic compounding, but today quite the opposite is found to be the case as approximately 9/10ths of all prescriptions call for pre-compounded medication, while the remainder requires compounding by the pharmacist."

"The growth of Canada's population increased the volume of illness and the demand for drugs."

"Other demographic trends serve to magnify this demand. For example, the increase in proportion of the very young and older people in our population structure contributed to a greater use of medications. Superimposed on these demographic factors was the changing attitudes of Canadians concerning the use of drugs. Canadians, like most other people, want to get well as quickly as adequate health services and new wonder drugs make this possible. Modern drugs, in many cases, accomplish just this, with the result that most Canadians, when ill, increasingly consider drugs as a necessity."

- 2 2 However, since no one likes to be ill, there is resentment of the unwanted expenditure for drugs, no matter what the price may be.
- 2.13 In April of 1963, a Select Committee of the Ontario Legislature stated:

"There is, nevertheless, a segment of the population whose ability to pay is a determining factor in the cost of goods. This group of individuals, because of chronic illness or depressed incomes, finds it difficult to pay for commodities and necessities; and the price of drugs, as well as other commodities, is high to them regardless of what the cost may be."

2.14 One of the Select Committee's recommendations was that

"...a more rational standardization of packaging be considered. Pills to be packaged in standard quantities and liquids in standard size bottles to permit the medical practitioner to prescribe according to the size of the package available and thus reduce the cost to the patient and any loss to the pharmacist which may ensue due to splitting packages." They also made proposals "whereby chronic and needy patients who use large quantities of expensive drugs can obtain them more readily and at lower cost," and "that retail druggists be encouraged to establish and develop a central mail order outlet whereby chronic and needy patients who use large quantities of expensive drugs can obtain them more readily and at a lower cost, having in mind that such an outlet would be a convenience to the patient and prescription costs would be based on bulk purchasing."

2.15 <u>In a PMAC brief to the Minister of Justice regarding</u>
the recommendations of the Restrictive Trade Practices Commission,
in May of 1964 it was stated:

"The surveys of city family expenditures on drugs account for less than 1% of total family expenditures. The problem, where it exists, is of an inadequate income distribution to certain impoverished sections of the society. This is a real problem, but it is a problem attributable to the society as a whole, and certainly not, on the basis of percentage expenditures on drugs, attributable to the pharmaceutical industry."

- 2.16 In a <u>November 1964 interim submission to the Minister</u>
  of National Health and Welfare by PMAC regarding the Royal Commission
  recommendations on prescription drug services, the question of drug
  costs was dealt with. We stated:
  - "...we believe that essential to a balanced consideration of the recommendations of the Hall Commission the question of prescription drug costs be kept in proper perspective. There appears to us a basic contradiction in the way they are treated in the Hall Commission Report."

"In the section entitled "Consumer Expenditures on Prescription Drugs, pp 352-355, are published statistics from a number of provinces. These show generally that paying for prescribed drugs does not constitute a significant problem for the majority of Canadians. Indeed, the report itself

comments as follows: 'While the average cost of drugs may be absorbed fairly easily by the average pocketbook, the incidence of heavy drug costs is rather unequal. Even the average costs referred to above may be a burden to large families in low income brackets. Also where drug requirements fall in the higher range of drug prices, even the average pocketbook may be strained. In addition, there is what may be called the catastrophic impact of drug costs, that is, the effect produced where prescribed drugs of more than moderate price must be used over a long period...'

"We conclude on the basis of the evidence presented to us that it is the unequal and generally unpredictable incidence of heavy drug costs that have given rise to the greatest concern on the part of the public, rather than what has been described as the high cost of drugs, as such."

"We would not attempt to maintain that drugs are cheap in Canada compared with other countries when measured according to the par value of the various currencies, but drug prices are reasonable in terms of what is paid for other goods and services in a country to which political and geographic conditions combine to give high cost/high wage economy."

"There is no doubt that more can and should be done to enable Canadians to purchase prescribed drugs without undue hardship. Basically, we believe this can be achieved most effectively through greater availability of insurance against the "unpredictable incidence of heavy drug costs."

"Further, the Hall Commission Report states on Page 137:
'There remains a sizeable proportion of our population whose
level of income keeps them at or below what is now considered a minimum standard of living in Canada.' There may
well be need for the greater development of welfare programs providing drugs and other medical services."

2.17 Under the heading of possibilities of constructive action, the Association added:

"It might well be that a broadening of insurance programs under the aegis of interested provincial governments would best help people to handle the one serious drug cost problem - the incidence of sudden or long-term needs beyond the resources of the normal family or personal budget."

2.18 In 1966 PMAC presented a brief to the Quebec Joint Committee on Health Insurance and stated:

"As pharmaceutical manufacturers with lengthy and diversified experience, we wish to put forward certain principles that we believe have to be fulfilled if Canadians are to receive the greatest value and benefit from any expenditure on prescription drugs. Essentiallly, these same principles are valid whether people pay for drugs directly, participate in prepayment or insurance programs, or are assisted by government welfare services."

2.19 We added:

"There are, however, indications that the universal provision of free drugs can add substantially to the health services bill. It has been estimated that the abolition in April 1965 of the prescription charge of two shillings in the United Kingdom increased the annual drug bill to government by 22%. In view of the many other demands on the revenues of the federal government and the provincial government, this demonstrates clearly how desirable it is that those who can afford to should meet directly part of the cost of precribed drugs. We noted that 'together with the Canadian Pharmaceutical Association, we have conducted certain studies into the possible structure for such benefit and pharmaceutical associations in other provinces have held discussions with government on the basis of these studies.'"

"Our studies lead us to believe that the control and administration of this system would be comparatively simple. For instance, each individual or head of family would have a book of prepunched cards serving as his receipt and accumulative record as pharmacist's record and as an accounting form. In this way, there would be no problem with reimbursement of the individual; on the basis of the record, the pharmacist would know how much to charge the individual and how much to charge the paying agency."

2.20 In <u>June of 1966, PMAC appeared before the House of Commons Special Committee on Drug Costs and Prices</u> - <u>The Harley Committee</u> - and in its introductory remarks PMAC President Dr. Wigle stated:

"My colleagues and I in PMAC have addressed ourselves to the question of the present level of drug prices in this country. We gave long and careful consideration to the peculiarities of ethical drug manufacturing that make this industry unique of its kind. Our deliberations on the evidence adduced in the main body of this brief and documented in the appendices impelled us to the fundamental conclusion that the cost of drugs to Canadians is fair and reasonable. The plain fact is that if we consider the real cost of any product or service - the hours of labour necessary to earn the money for the purchase - we find that Canadians come off well in terms of the pharmaceuticals necessary to our national health and well-being. A Canadian citizen is obliged to work fewer hours than the peoples of most other countries for the ethical drugs needed for the maintenance of his and his family's health."

"Our recognition of this fact, however, has not deterred us from exploring every conceivable means of reducing the prices of pharmaceuticals to Canadians. As good corporate citizens, our member companies have expressed their willingness to work with responsible government authorities in seeking sensible means of lowering drug costs and prices to the people of Canada, along the lines suggested in the principles advanced by the association and outlined in the body of this brief. And, as sound business people, the chief executives of our member firms are well aware of the advantages than can accrue to any company able to pare its costs and its prices in a highly competitive industry."

2.21 Among the recommendations that PMAC made to the Harley Committee was:

"...a wider availability of drug insurance to prevent catastrophic drug expenses during medical emergencies."

"We believe it axiomatic that in a country which has attained the general standard of living of Canada no citizen should go without needed medication because he cannot afford it. Our brief, therefore, concludes with certain recommendations which, we believe, will help ensure that every Canadian is able to obtain the drugs prescribed by his physician, and that these drugs meet the highest standards of safety, reliability and therapeutic effectiveness. We would caution against any consideration of drug costs which divorces them from these three essential qualities."

"The research laboratories of the international pharmaceutical companies have developed many products, often lifessaving, that are specifics for rare illnesses and conditions.

These products are often made available to physicians either free of charge or at factory cost. A recent survey of our members showed 18 companies listing 84 products of this type. The cost of these products cannot be easily determined but their value to Canadians is inestimable."

"The products, themselves, fall into six categories:

- 1) There are drugs which are used to combat rare diseases and conditions. For instance, one company provides the sole or principal source of food indicated for infants and children suffering from phenylketonuria, an inborn error of metabolism which otherwise results in severe mental retardation. Another company provides free of charge for indigent patients its products that serve to control cerebral palsy and myasthenia gravis. A third company provides an antitoxin for botulism, a rare but often fatal type of food poisoning. A fourth distributes the product to combat pseudomonas (bacterial) infections in the eyes or bowels.
- 2) A company involved in anti-cancer research makes available to physicians certain pharmaceuticals that have proved themselves partially effective in the treatment of particular cancers, but have not justified a general introduction.
- 3) There are occasions when somebody in Canada suffers from a disease which is common elsewhere in the world, but, happily, not in this country. Specifics are made available against leprosy, sleeping sickness and malaria as well as sera against snake or black widow spider bite. A recent addition is a drug for the treatment of Schistosomiasis or Bilharzia.
- 4) Specialized forms of commercial products may be provided without charge when these are specifics for rare conditions, for instance an injectable form of a drug needed in an acute hypertensive crisis.
- 5) A number of companies provide the agents for specialized diagnostic procedures. These may relate to rare diseases such as trichinosis (swine fever). Another example is the agent to diagnose toxoplasmosis, a rather unusual condition which results in the birth of a blind baby. The mother has no apparent symptoms, but the disease is known to be carried by dogs, and has on occasion reached epidemic proportions. Several agents are made available to physicians for the diagnosis of rare blood and renal conditions.
- 6) Products required in unusual surgical procedures may also be provided. One such product is essential to protect the cornea during a particularly intricate type of eye surgery."

"There is growing interest throughout Canada in the provision of prescribed drugs as part of medical service plans, whether for the population as a whole or for people in receipt of welfare assistance."

"Certain provinces have lately made new arrangements for the provision of drugs to their citizens on welfare, while others are working on broad plans for prescription prepayment or insurance." "The range and quality of the preparations doctors may prescribe, whether for patients as a whole or for a particular class of patient, should depend solely on therapeutic considerations."

"It would scarcely be logical for government to develop plans designed to assure all citizens of the physician's services they need, and then limit the means of treatment the physicians may prescribe."

"With these major purposes in mind, our Association has formulated and made public the following set of <u>nine principles</u> that should govern the provision of prescription drugs under health service programs:

- It is the responsibility of the pharmaceutical manufacturer in co-operation with the professions of medicine and pharmacy to search, develop and provide safe and effective drugs of the highest quality.
- It is a co-operative responsibility of the manufacturer and the pharmacist to make safe and effective medications of high quality immediately available in all parts of Canada.
- It is the right of the physician to prescribe the drug preparation of his choice.
- Nothing must be allowed to interfere with the duty of the pharmacist to respect the integrity of the physician's prescription.
- It is the citizen's right to consult the physician of his choice.
- It is the citizen's right to have his prescription dispensed by the pharmacist of his choice.
- It is the responsibility of any agency paying for drugs to recognize the rights and duties of the physician, the pharmacist and the citizen.
- The respect of industrial property rights as represented by patents and trade marks is the essential foundation for progress in research and therapeutics in the pharmaceutical industry.
- 9. A pharmaceutical benefits program which assists the needy and encourages the self-supporting to provide for themselves will best meet the requirements of the people of Canada."

"These principles set out a general framework. We have made specific proposals relating to the provision of drugs for welfare recipients to the governments of British Columbia and Quebec. In these, we offered our co-operation in determining through survey and analysis the exact incidence of different types of drug requirement as a basis for cost control. We suggested a system for obtaining a rebate of the Federal sales tax on products dispensed to welfare patients, since such products are effectively purchased by the provincial government. Finally, we reported that, although the Association could not legally commit its members to any pricing policies, many of them had expressed a willingness to place their experience at the disposal of public health authorities."

"So far as the general provision of prescribed drugs is concerned, we have worked with the Canadian Pharmaceutical Association in developing its proposals for Pharmacare, (detailed in Appendix B) and we consider this an effective plan for meeting the real needs of the large majority of Canadians."

? 2 PMAC went to the Harley Committee with some concrete
proposals:

"We have, however, a number of recommendations bearing on the cost of drugs. Some of these would reduce the price of drugs generally, or the prices of certain products, or the prices to certain groups of citizens. Others would convey to the professions concerned and the general public more extensive and precise information about the cost of particular products."

- We strongly support the recommendation made by many groups and individuals that the Federal sales tax on precription drugs be abolished.
- 2) There is a clear requirement for much wider availability of programs for drug insurance or prepayment. These would greatly assist the relatively small number of Canadians who find buying prescription drugs a real burden, whether due to personal circumstances or to the impact of either catastrophic or chronic illness. As reported in Section 13, a joint study has been made by PMAC and CPhA of the feasibility of prescription drug insurance, and a model insurance plan has been developed. Such a program would satisfy the requirements of most Canadians, and provide an effective vehicle through which government can help those who need assistance...
- 5) We favor a co-operative program by the universities, medical and pharmacy associations, and pharmaceutical manufacturers to provide physicians with more extensive information about the cost to their patients of particular drug therapies. In fact, some companies now include information about the approximate cost of therapy in their medical literature.
- 6) The Association approves the action taken by some member companies to abolish suggested catalogue prices for drug products available only on prescription, leaving the retail pharmacist to assess the sum necessary for the proper compensation of his services. In this connection, we acknowledge the support given increasingly by representatives of retail pharmacy to a cost-price-plus-professional-fee system for pricing prescriptions.
- 7) The Hall Commission has recommened that the Government of Canada, assisted by the Drug Advisory Committee, sponsor jointly with the drug industry and such provincial governments as wish to participate, a study of the feasibility of a voluntary drug price restraint program for Canada, for implementation on a trial basis for a period of five years. (Recommendation 73, Report p. 43). The members of our Association stand willing to enter into any discussions about the prices of their products which the governments concerned should consider desirable."

"We would, however, reiterate our position that such negotiations must take cognizance of the nine principles...."

2.23 In a <u>Supplementary Submission to the House of Commons</u>
<u>Special Committee on Drug Costs and Prices</u> (The Harley Committee) in <u>February 1967</u>, PMAC said:

"Looking to the future and the advent of medicare, we would like to emphasize again the need for widespread availability of programs for drug insurance or prepayment, with priority given to government support for those citizens unable to meet the cost. We might add that whether the organizers of such programs be government or private agencies, it is evident that the strength of their buying power will enable them to negotiate on prices and so confine the cost of these programs through the co-operation of all concerned."

? 24 <u>In a 1967 Brief to the Ontario Committee on the healing Arts, PMAC stated:</u>

"On the matter of the percentage of prepackaged prescription drugs dispensed through pharmacies, we must point out that to our knowledge there are, in fact, at the present time, practically no prepackaged drugs being distributed in their original packages without some alteration to the package being effected."

2.25 The 1970 Report of the Committee on the Healing Arts stated in part:

"Although we recognize the trend towards prepackaging and other technological developments in the drug industry, we do not regard pharmacists' services as diminishing in utility to the public."

"If patients are unable to meet these costs, the result will be that medical treatment will remain inadequate and distortion of necessary medical services will occur".

2.26 The Task Force Reports on the Cost of Health Services

#### in Canada commented:

"Recommendation 55

Federal/Provincial authorities influence drug manufacturers so that through research and technical development they are able to supply at an accelerated pace and at more reasonable cost, solid, liquid, and injectable unit-of-use use packaging for the hospitals.

On the surface this recommendation does not seem to reduce the operating costs. However, it is emphasized that:

- (1) There should not be any doubt that this system, due alone to its safer distribution of drugs, will be the trend in the future.
- (2) The drug industry will sooner or later come up with solutions to the packaging problem at lower prices.
- (3) Hospitals in Canada should not have to wait to the last moment to gain experience with this system and be in a position to assess the pros and cons first hand now.
- (4) This system, properly introduced, does allow more effective utilization of non-professional help, thereby permitting professional pharmacists and nurses to spend more time in direct patient care. It should be recognized that the present drug distribution system utilizes approximately 15% of available professional nursing time."
- 2.27 The Economic Council of Canada in its Seventh Annual Review 'Patterns of Growth' issued September 1970 stated:

"In brief, the goal of health care is assumed to be adequate, timely, efficient and humane health care for all Canadians."

2.28 In addition to all the foregoing, during the deliberations and travels of this Senate Committee on Poverty, several groups have made observations worth noting. For example, in their brief t the committee, the Association of Women Electors of Metropolitan Toronto states:

"...there have been no government plans to extend the limited Medicare program to include the cost of drugs". The same group recommends "financial assistance with.... prescription drugs...".

2.29 The Provincial Council of Women of Ontario recommends that:

"prescription drugs be made available through Medicare to pensioners who are receiving supplementary assistance."

2.30 The Victorian Order of Nurses, in their brief to the committee, said:

"Ill health is perhaps the most constant attendant of poverty."

#### SUMMARY:

The preceding excerpts exhibit an evolution of thought that seems to support the statement that:

- a) A pharmaceutical benefits program which assists the needy and encourages the self-supporting to provide for themselves will best meet the requirements of the people of Canada.
- b) A socio-economic study should be conducted, relating pharmaceuticals to health and welfare in a broad sense, as an essential precursor to extension of our present health services, having regard to 'inability to pay'.
- c) Examination of private enterprise solutions to providing social assistance to the needy would seem appropriate.
- d) Health care insurance carriers' provision of prepayment phrmaceutical plans requires extension, publicity and support.
- e) Prepackaging in prescription-size packages by the manufacturer merits continued study to determine if greater efficiency might lead to lower costs in dispensing. In addition, this concept offers a means of extending the manufacturers' close quality control over the integrity of his product and its package right up to the ultimate consumer.

## B.O USEFUL STATISTICAL INFORMATION

- 3.1 Mr. Chairman, it is not our intent to place your Committee in the position of several previous committees which have devoted much time and study to the cost of drugs. However, as our sympathy is shown to lie with high quality pharmaceutical products being available to the socially assisted, we feel an obligation to provide data whereby this committee might assess the possible cost or, at least, cost trends which might occur if some program is launched, even on a trial basis.
- 3.2 The following statistics, we believe, are re-assuring in that this segment of the cost of health services has not been escalating and, hopefully, if it is not abused or over-utilized, it should continue to be relatively predictable.

- The average price of a prescription in Canada is around \$3.67 according to the Canadian Pharmaceutical Association surveys of hundreds of representative pharmacies. The manufacturers net profit of this would be about 10 cents.
- Retail prescription drugs account for less than half a cent out of a Canadian's dollar of income.
- Drugs represent less than 0.7% of expenditures as compared with 21% spent on food, 16% on housing.
- Drug expenditures have remained fairly constant and virtually unchanged at these low rates for at least the past 15 years, despite the introduction of new and more effective medications.
- Since 1961, the general cost of living as shown by the 114-item D.B.S. Consumer Price Index had risen to 129.9 in June 1970. The retail prescription drug component has declined to 95.9 one of only 10 components to have declined below 1961 levels! In fact, only eggs, radios, T.V. consoles and vitamins have shown a greater decline in price than Rx drugs.
- 3.3 Drug prices in Canada compare favourably with those in other countries when standards of living and earning power are related to the prices paid. An international survey has shown that Canadians use a smaller proportion of their earnings to buy their prescription drugs than do people in, for instance, Britain, France, Holland, Italy, Sweden or West Germany.
- 3.4 An analysis of Canadian prescripcion prices in 1964 (the latest national analysis available) showed:

52.7% of prescriptions cost \$1.51 - \$3.50 84.29% of prescriptions cost \$5.00 or less. 1.41% of prescriptions cost \$10.00 or more.

- 3.5 Two years later, in 1966, the Saskatchewan Department of Public Health and the Saskatchewan Pharmaceutical Association conducted a joint study of individual prescription costs in a representative prairie city.
- 3.6 This showed:

50% of prescriptions cost less than \$3.00 $\cdot$  80% of prescriptions cost less than \$5.00 97.2% of prescriptions cost less than \$10.00 only 2.8% cost more than \$10.00.

40% of all families surveyed had no prescription expenditures for the year.

66% of families had expenditures less than \$20.00 Average family expenditure for the year \$25.49.

- 3.7 The per capita expenditure on retail prescriptions was \$11.35 in 1967.
- 3.8 Consumer surveys by D.B.S. showed that in 1964 the average prescription expenditure per family amounted to \$36.30 for an average of about 12 prescriptions. A typical family of 2 adults and 3 children spent \$38.60 per year for a cost of \$7.72 per person. When spending patterns on prescribed drugs were examined by ranges of family income, families with income under \$2,500 had an average expenditure

- of 20.50, those with income of \$4,500-\$4,999 spent \$48.80 and those with \$8,000-\$9,000 income spent \$39.50. Families in income brackets up to \$4,500 tend to spend \$20-\$25 on prescribed drugs.
- 3.9 The U.S. Health, Education & Welfare Rx Drug Task Force, in its first background volume, compiled a Master Drug List (MDL) of the 409 Rx products most used by the elderly. The MDL project was described as "probably the first of its kind ever undertaken" and provided "previously unavailable information on the drug purchases of the elderly."

21-10-1970

- 3.10 Grouping the products into therapeutic categories showed cardiovascular preparations accounting for 22% of the number of prescriptions and 23% of their retail cost; ataractics accounted for 10% of prescriptions and 12% of their retail cost; diuretics 9% and 9%; sedatives and hypnotics 9% and 5%; antibiotics 7% and 9%; analgesics 6% and 4%; hormones 4% and 5%; antiarthritics 4% and 5%; diabetes preparations 4% and 6%; and antispasmodics 3% and 3%. These leading 10 categories included almost 80% of the prescriptions of the elderly and slightly over 80% of the cost.
- 3.11 Since comparable information is not available for Canada, and assuming that the drug needs of elderly Canadians will be reasonably comparable to those of elderly Americans, we reproduce the Canadian price history of many of the top 50 drugs on the MDL list. This list represented about half of the total number of prescriptions and half their cost. Products of PMAC non-members are not included because price history data is not available to us. Products not available in Canada are also not listed.

Cardiovascular	Year of Introduction	Introductory July 197 price to price to pharmacist pharmac	
Serpasil	1953	4.50 1.42	(68)
Digoxin (lanoxin)	1935	1.20 ('49) 1.61	34
Peritrate " SA	1950 1958	2.70 2.15 7.20 6.85	(20) (5)
Ser-Ap-Es	1960	5.59 5.59	no increase
		Average price change:	(12)
Ataractics			
Equanil	1955	3.60 2.62	(27)
Elavil	1961	3.90 3.17	(18)
		Average price change:	(23)
Diuretics			
Diuril	1958	4.32 2.53	(41)
Hydrodiuril	1959	4.32 2.53	(41)
Hydropres	1959	5.03 4.06	(19)
Hygroton	1960	2.65 2.65	no increase
		Average price change:	(25)

	Year of Introduction	Introductory price to pharmacist		Price Perce increase or (decreas
Sedatives and Hy- notics				
Doriden	1955	3.30	4.26	30
Seconal Sodium p	re 1939	3.98	2.34	(41)
Nembutal	1938	4.25	2.95	(31)
Butisol Sodium	1949	2.00	1.66	(17)
Placidyl	1955	3.57	3.59	0.6
		Average p	rice change:	(12)
Antibiotics				
Declomycin	1959	5.66	2.89	(48)
		Average p	rice change:	(48)
Analgesics				
Darvon	1962	7.02	5.67	(20)
Acetophen Co./c		3.30 (1967	7) 3.00	(9)
Fiorinal	1955	2.10	2.21	5
		Average pi	rice change:	(8)
Hormone				
Thyroid	1906	0.60 (1945	5) 0.70	17
Premarin	1942	6.15	5.85	(5)
		Average pi	rice change:	6
and when so	e category also ome 26 products considered the	all in the top-	-selling 400	in
Anti-Arthritic				4
Indocid	1965		3.07	(19)
Butazolidin	1953		5.57	(29)
		Average pi	rice change:	(24)
Anti-Diabetic				
Orinase	1957	3.75	3.40	(9)
		Average p	rice change:	(9)
OVERALL AVE	RAGE FOR THE 25	REPRESENTATIVE	E PRODUCTS	(15.2)

3.12 Increasing efficiency and competition have been responsible for this long-term price reduction trend by pharmaceutical manufacturers and in contrast to the inflationary spiral so common to most other goods and services. It was, therefore, entirely consistent that our Association officially pledged in early 1970 to abide by the Prices and Incomes Commission's Guidelines.

That these price trends of drugs for the elderly are typical for drug prices in general was established by a 1968 PMAC review of the top-selling 400 products in Canada.

An overwhelming majority (over 80%) of drugs surveyed exhibited a substantial downward price trend over their lifetime, 16% showed price increases and 3% no change.

The leading therapeutic classes ranked by sales as a per cent of the total were: Antibiotics/antibacterials (17%), hormones (13%), ataractics (9%), analgesics (7%), vitamins (6%), cough & cold (6%), cardiovascular (4%).

The trend in prices was in general progressively downward in those therapeutic classes having high rates of innovational activity such as antibiotics, hormones, ataractics. The greatest price competition was displayed in these three top-selling therapeutic classes.

# 4.0 PMAC WORK IN PROGRESS

But what other concrete help can we offer that will benefit all consumers, including the disadvantaged? This is likely what Consumer & Corporate Affairs Minister Ron Basford meant in his March 4, 1970 letter to us:

"Dear Dr. Wigle:

On September 20, 1968 you wrote to me and attached a copy of a letter which you had sent to Mr. Munro dated the same day.

On page ten of this letter there is the following paragraph:

"While it is recognized that action at the retail level is within the jurisdiction of the Provinces, we think it not unrealistic to envisage a joint program, in the development of which, as we have stated, manufacturers are willing to participate fully and to which we believe the support of retailers can be obtained. It is only by this means that we can foresee a plan which could effectively meet the social needs of greatest concern."

We are presently planning to have some discussions with the provinces on the question of the retail price of drugs. It would be very much appreciated if you would be prepared to expand upon the above statement and suggest some ways in which the manufacturers and retailers could participate in a program designed to reduce the cost of drugs at the retail level. I shall be very grateful to you for any help you can provide."

PMAC replied as follows:

"Dear Mr. Basford:

In reply to your request for PMAC to expand on our statement of September 1968 regarding co-operation at all levels in an effort to effectively meet the social needs of greatest concern, we are pleased to present the following observations and suggestions:

First, as we have previously stated, our opinion of the area for greatest concern is that segment of society wherein economic factors or catastrophic illness cause financial embarrassment to the patient or his family.

It is not our opinion that the cost of drugs problem will be relieved by efforts which aim to reduce the cost of the average prescription from the current \$3.87 to \$3.00 or even to \$2.00. The problem will be alleviated when needy patients are no longer embarrassed by the cost of necessary medications.

The definition of this needy group is difficult, probably a general agreement could be reached regarding an income level below which no one should be required to pay more than \$X per year for prescription drugs. It is assumed that the welfare group are already being cared for regarding prescription costs.

We recognize that the discussions to be held between the provinces and your Department relative to the retail price of drugs are of primary concern to the pharmacist and we cannot talk on their behalf. However, at your request, we will comment on those areas where certain actions on our part may reduce the operations cost of the pharmacist and thereby allow him to reduce his prices while maintaining his present profit structures.

The average prescription cost is, according to the latest CPhA survey, \$3.67. The average professional fee charged is generally accepted to be in the vicinity of \$2.00 which includes all overhead attributable to the prescription department, plus the performance of the professional services. Therefore, it can be concluded that it costs \$2.00 to deliver to the patient merchandise worth \$1.67. How can the manufacturer help the pharmacist reduce his overhead and consequently reduce this unfavourable proportion?

It is our opinion that if manufacturers packaged their products in prescription sized packages, as some of them do at this time, and if these packages were delivered directly by the pharmacist to the patient, an important percentage of the overhead would be saved. The cost of opening larger containers, the cost of counting the tablets, and the cost of relabelling and repackaging would all be saved. This solution has long been adopted in Europe as well as in Asia and South America.

This method also ensures that the safety warnings are carried right to the consumer. The packaging precaution for the maintaining of the physiological activity taken at the manufacturers' level would also be carried right to the consumer constituting an additional safety guarantee. The values inherent in the use of batch and lot numbers would be preserved down to the patient level, where they are most important.

Prescription size packaging would, by freeing the pharmacist from menial tasks, increase his productivity and make his knowledge fully available for the exercise of his profession.

We have already had some informal discussion with governmental health statisticians about methods whereby the pharmaceutically indigent group could be identified in a pilot project. It seems obvious that in such a project there would have to be some benefit made available so that these patients would identify themselves. It is not inconceivable that some joint benefit arranged between the manufacturers, the wholesalers, the retail pharmacists, and the agency in charge of the project could be worked out.

Information related to products utilized, prescribing habits, patient needs and demands, as well as the economic factors and utilization of codes could all arise from the data-processing of such a trial program.

From such a project one might then be able to extrapolate an assessment of the costs and desirability of an expansion of assistance to this area of greatest social concern.

It must be kept in mind that something like 40% of families in Canada spend nothing on prescription drugs in the average year. However, an unexpected serious illness requiring long term therapy can be embarrassing to a relatively affluent family.

There are already some plans available to avoid major costs for drugs on an insurance basis. I believe the Canadian Pharmaceutical Association has taken out a federal charter to assist programs of "Pharmacare". It is also my understanding that a program to cover most of the cost of drugs is now available to the people of Nova Scotia. Most of these are confined to groups, but they have relieved the subscribers of the fear of drug costs. These should be

explored and the possibility of expansion assessed.

I am sure that you are aware that the prescription price index has continued to hold the line very well, and many manufacturers have reduced prices on important products in recent months. These efforts, of course, must be of purely individual origin, but they do give us some pride.

In closing, let me assure you that we would be pleased to appoint delegates to a meeting with people of your Department and any others you might wish to include in order to study all possibilities more carefully.

Respectfully yours,

(Signed) Wm. W. Wigle, M.D. C.M., President, PMAC.

- 4.2 As indicated, our Association stands ready to assist. As further background, we would like to draw your attention to (Appendix C) from Briefs of the Canadian Health Insurance Association to the Hall Royal Commission on Health Services. Their submission contained an Illustrative Plan for the Extension of Medical Care Insurance, which, while dealing with total medical care, could be applicable, with appropriate modifications, to pharmaceuticals for the socially-assisted. In particular, it outlines a formula for providing coverage for the medically indigent after (a) identification of the medically indigent group, (b) the amount of subsidy required from government and (c) the mechanics of making the subsidy available.
- 4.3 Fundamental to such an approach is the acceptance of the concept of 'prepayment of pharmaceuticals' on a self-insured basis by those able to pay for themselves, and on a socially-assisted shared-risk basis for the medically indigent. We reiterate our view that such a prepayment plan, subject to improvements and modifications, would offer high quality pharmaceuticals to the poor as for the self-sufficient. We stand ready to work co-operatively with government, pharmacy and the insurers to assist citizens to easily take advantage of such a program.
- 4.4 In various PMAC briefs mention was made of our assistance to provinces wishing to take action in the field of pharmaceuticals. For instance, we participated with British Columbia in developing their Social Assistance Medical Services program, with Ontario in development of its Parcost Price Index, it was logical that we are assisting the Quebec Health Insurance Board in its current studies to cover the cost of drugs to the socially assisted in that province.
- 4.5 Another method of achieving economies which has received mention is through expanded use of prescription-size packaging. Over a year ago, PMAC created a special committee of experts to bring in recommendations on how this concept could be introduced broadly, economically, practically and inexpensively. This report is expected within the next few months.

- 4.  $\alpha$  Last, but by no means least, is the basic thrust of our member companies research for new cures. All else would be meaningless were our members not dedicated internationally to solving the disease problems as yet unsolved.
- 4.7 The support of the research-oriented industry is a positive contribution to the discovery of new cures.

Respectfully submitted by:

21-10-1970

Pharmaceutical Manufacturers Association of Canada.

October 20, 1970.

A1

#### APPENDIX "A"

THE PRESCRIPTION DRUG INDUSTRY IN CANADA

The Pharmaceutical Manufacturers Association of Canada (P.M.A.C.), with offices located in Ottawa, is a voluntary organization now 56 years old in Canada, functioning as a scientific trade association. We represent 58 Canadian companies - both large and small - responsible for the manufacture and distribution of some 85 per cent of Canadian pescription medicines. Membership in PMAC is open to any research-oriented pharmaceutical manufacturer with exacting standards of quality control to ensure drug safety and efficacy. Some of our companies are Canadian owned, while many are truly international in scope, conducting research and manufacturing activity in many countries. PMAC's membership comprises American, British, Canadian, Dutch, French, German, Swiss and Swedish companies who have invested heavily in Canada.

The objectives of the Association have been to upgrade the standards of quality in the manufacturing of pharmaceuticals in Canada; to encourage members to market products to the professions of medicine and pharmacy on an orderly, factual basis by following codes of marketing and advertising practice; to encourage research, and to further the highest possible health standards for Canadians. Membership is based on the agreement that the qualified applicant is prepared to follow the principles of ethics and objectives of the Association.

Some of the activities which the Association has successfully undertaken are:

- (i) continuing co-operation with the Food and Drug Directorate throughout the years in the development of improved methods of inspection for pharmaceutical manufacturers and the establishment of effective, valid standards to be used during such inspections;
- (ii) co-operation with the Canadian Government Specifications Board in the development of a standard (74-GP-1b) for the use of those agencies purchasing drugs for governmental programs;

- (iii) continual liaison with the Food and Drug Directorate in the development of regulations under the Food and Drug Act;
- (iv) assistance to the Canadian Pharmaceutical Association in the development of the Compendium on Pharmaceutical Specialties as a complete, unbiased information volume on drugs for the use of the health professions in Canada;
- (v) collection of information related to the industry in Canada for the use of various committees and commissions at all levels of government;
- (vi) the provision of information and representatives to the Canadian Drug Advisory Committee which advises the Minister of National Health and Welfare;
- (vii) development of a program for drug identification codes by which it is hoped that eventually all solid dosage form medicines will be marked by the manufacturers, such that the country of origin, the manufacturer, the active ingredient, and the dosage form will all be easily and accurately ascertained by reference to the code number in an index, widely provided to hospitals, physicians, pharmacists, emergency centres, poison control centres, etc.
- (viii) establishment of a program to supplement company training of sales representatives with a series of courses and examinations provided by a Council for the Accreditation of Pharmaceutical Manufacturers Representatives These courses will ensure that salesmen will be even better able to serve the health professions:
  - (ix) established a Code of Marketing Practice for high standards governing journal and direct mail advertisements to the medical profession. They are regularly screened by an Advertising Review Committee - a pioneering self-regulatory system unmatched by any other industry;
  - (x) on the initiative of our Medical Section, launced the Canadian Foundation for the Advancement of Therapeutics noted for its work in establishing clinical pharmacology in Canada.
  - (xi) implemented a Code of Sampling Practice to assist in preventing unauthorized sample distribution.

Appendix "B"

#### PHARMACARE

PHARMACARE, a service program with a payment direct to the provider of service rather than a reimbursement program, is directed and operated by members of the profession of Pharmacy. It embodies guaranteed financing, guaranteed service and guaranteed fee costs with charges influenced only by the cost of the tangible ingradients of prescriptions. It may be operated as a separate entity or integrated with programs providing for other health services.

The PHARMACARE program is specifically designed to meet modern desires for a completely adequate method of financing the individual's requirements in relation to drug therapy and is in keeping with philosophies expressed by private citizens, management, labour, governments and the professions. Pharmacy's views are expressed in the CPhA Statement of Policy Relative to Health Insurance Plans. The Canadian Chamber of Commerce Statement of Policy, 1965, states: "In a free society, the individual has the primary responsibility to make provision for and pay the cost of health care for himself...budgeting for adequate coverage...with voluntary service, indemnity plans and the contribution of government to assist those who are unable to provide for themselves." Organized labour has repeatedly stated that health service plans are a desirable frings benefit. Canada's koyal Commission on Health Services emphasizes "the individual's reponsibility for personal health...to the extent of the individual's capabilities"; belief "that an individual family should not have to bear alone the full cost of risks..."; the rationale of health insurance which embodies the application of averages for the relief of millions...and the desirability of "necessary legislative, organizational and financial decisions to make all the fruits of the health sciences available to all our residents without hindrance of any kind" governments -- federal, provincial and local -- have made pronouncements of varying degrees of specificity. PHARMACARE is adaptable to most political philosophies in that it enables the individual to assume a responsibility to provide for his pharmaceutical therapy needs while enabling the group as a whole to share responsibility to thus ensure that the services are available at a cost within every individual's ability to pay,

#### Features:

The PHARMACARE Plan embodies three responsibility phases, namely: a period of individual financial responsibility; the sharing of financial responsibility (co-insurance); and thereafter, full coverage ('fire insurance').

#### The Plan:

Health insurance, and particularly that having to do with the insuring of first class pharmaceutical services provided by community pharmacies has been the subject of many years of review and study by the pharmacies of Canada. PHARMACARE is the result of intensified study during the past eighteen months.

### 1. Subscribers

Wo restrictions as to age, condition of health, occupation, geographic location.

Groups of 5 or more (i.e., recognizable groups of all types, including labour, management, professional and civic, except as organized for the purpose of obtaining health insurance and except health groups).

Welfare and medically indigent chtsgories for whom a central authority assumes financial responsibility.

Individuals who move out of a group contract or outside of the dependent age.

Non-group individuals, in due course, according to the experience of the Plan.

#### 2. Benefits

All pharmaceutical services prescribed by medical and deutal practitioners --- a few exceptions such as patent medicines, accessories, first aid supplies, etc. --- all procedures in keeping with all usual and legal practices normally followed by the professions relative to dwug therapy (i.e., prescribing habits, repeat prescriptions, long term medication).

# 3. Coverage

Combines features of prepayment and insurance -- no limit as to maximum relative to pre-existing medical history and/or illness situations.

For single subscriber, after first \$10 (family \$20) PHARMACARE assumes 80% of next \$50 (family \$100) with subscriber paying only 20% to the provider of service, and thereafter, subscriber is 100% insured for 12-month benefit period.

#### Features

- (a) Enables subscriber to budget completely to a maximum amount for prescription services;
- (b) Keeps insurance premium cost to a very reasonable level;
- (c) Subscriber individually responsible only for normal, average expenditure;
- (d) Subscriber's participation during co-insurance phase provides for sharing with others of his above-average expenditures;
- (e) Deductible and co-insurance phases deter over-demand and/or wastage;
- (f) Full insurance coverage protects against abnormal and catastrophic situations,

#### 4. Benefits period

Any 12-month period beginning from the subscriber's choice of date of first prescription service following effective date of contract.

#### 5. Identification of subscriber

- (a) Pocket card for reference purposes only;
- (b) Personalized book of pre-punched cards serving as subscriber's receipt and cumulative record; as the pharmacist's record; and as an accounting form,

#### 6. Payment for services

- (a) Direct to providers of service, namely, retail pharmacies operating under the pharmaceutical legislation of the province --- amounts according to a negotiated contractual agreement between the Company and a representative pharmacist organization;
- on basis of cost of ingredient plus a professional fee; (b) Reimbursement to subscribers provided for where services obtained in areas where no member-pharmacies,

#### 7. Premiums

- (a) Group rates, annual payment structure, single subscriber and family rates (at 3X single);
- (b) Pay-direct rates for subscribers previously in a group at slightly higher premium;
- (c) When sold to non-group individuals, higher rate structure required.

## Financial Resources:

PHARMACARE is organized as a non-profit Company capitalized by the purchase of shares and debentures by members of the profession of Pharmacy who are the providers of the services,

The ability of the Company to provide services is guaranteed by the profession of Pharmacy to the extent that if the financial resources of the Company prove inadequate, the pharmacists will agree to accept reduced fees and, where agreement is obtained, the manufacturers of the ingredients will pay in an equal amount.

# Policy Direction, Sales and Administration:

Policy will rest with a Board of Directors which, in addition to the pharmaceutical profession, may include lay persons such as employers and employees and others representative of subscribing groups.

Sales and administration activities shall be the direct responsibility of the Company through its own staff and facilities or through the utilization of those of an organization with which it enters into an agreement for such purpose.

APPENDIX "C"

#### SECTION A

#### SUMMARY

- This submission, prepared by the Canadian Health Insurance Association, is supplementary to our main submission filed with the Royal Commission on Health Services April 17, 1962, and discussed at the Commission's public hearings in Toronto, May 16, 1962.
- Our purpose in filing this supplementary evidence is three-fold;
  - (1) to comply with the request of the Royal Commission made to the Association at the public hearings in Toronto last May that the Association put forward some specific suggestions\* regarding the methods and procedures which might be involved in extending the health insurance coverage provided by the Association's illustrative plan to those financially unable to pay the premium required. It should be understood that the suggestions contained in this submission represent but one way of accomplishing this end,
  - (2) to explain in greater detail than was done in the main submission the reasons why provincial legislation is necessary to implement the Association's proposals; to review a number of the significant developments which have occurred since our

<sup>\*</sup> See Pages 10298-99-300 Transcript Toronto Public Hearings May 16, 1962.

- appearance before the Commission last May and to indicate the scope and direction of the Association's activities for the immediate future,
- (3) finally, by restating the purpose, role and benefits of voluntary health insurance, to answer some of the criticisms of, and comments on, the voluntary system made both before the Commission and elsewhere.
- That we, as insurers, have a great interest in the preservation of the voluntary system of health insurance, there can be no doubt, nor do we make any apology for our efforts to preserve and improve upon this system. We earnestly believe that the health needs of Canadians can best and most efficiently be paid for through the voluntary system of health insurance without imposing a heavy, continuing and unpredictable burden on the country's already strained financial resources.
- will be those who, for reasons beyond their control, will be unable to pay for their own medical requirements. For these, society must assume the responsibility to ensure that no Canadian suffer for want of necessary medical care and, in meeting this responsibility, must also ensure that the means, in terms of medical practitioners; nurses, hospitals and other facilities, are available. We are firmly convinced, however, that it would be wasteful of our national financial resources, to say nothing of imposing a critical and unnecessary strain on the available services, for the government to assume the responsibility for paying the entire

- medical bills of the vast majority of Canadians who, with their own resources or by means of health insurance coverage, are able to pay their own way.
- 5. The Canadian Welfare Council, in its submission to this Commission last May stated that whatever approach is taken to this problem..."High priority should be given to those services which a considerable portion of the population frequently requires and of which the cost to the individual or family can be relatively burdensome. One example is medical care". With this we agree and we believe that this aim can most effectively be achieved by the individual budgeting the relatively small amounts required to provide himself and his family with health insurance through which the bulk of the important medical costs that most frequently occur can be paid.
- 6. In this submission, we shall attempt to cover both the philosophy and practical application of our views. We believe that this may be helpful, not only to allay any misapprehensions as to the nature and function of the voluntary system, but also to make possible a fair and accurate appraisal of the worth and benefits of voluntary health insurance and its important part in the over-all picture of providing health care to Canadians.

# THE MEDICALLY INDIGENT --- A SUGGESTED FORMULA FOR PROVIDING COVERAGE FOR THIS CATEGORY

- The Canadian Health Insurance Association, both in its preliminary submission in Halifax and again in the main submission in Toronto, stated that it was "very well aware that some segments of the population are not in a financial position to pay even a most reasonable premium for voluntary medical insurance. Such persons will continue to require financial assistance from governments or others; it believes, however, that it is unrealistic and unnecessary to institute overall, compulsory, government-sponsored plans applicable to the entire population just to care for this relatively limited group. We stand ready to help solve this problem".
- At the request of the Commission on May 16, the Canadian Health Insurance Association has undertaken to study this problem. In the months since the Toronto hearings, the Association and its member companies have discussed and considered the problem of providing coverage for the medically indigent class --- the truly indigent being cared for by private welfare agencies and the three levels of government. In presenting its proposals, the Association realizes that its approach is but one of a number possible toward the solution of the problem. It is, however, in our opinion, one of the least complicated and most efficient methods in that it makes use of the existing income tax mechanism without requiring widespread reorganization of available facilities or the creation of extensive and costly administrative machinery.

- 9. The problem divides itself into three main elements:
  - the identification of the medically indigent group.
  - (2) the amount of the subsidy required from government.
  - (3) the mechanics of making the subsidy available.

#### IDENTIFICATION OF THE MEDICALLY INDIGENT GROUP

- 10. The medically indigent may be defined as that group which, as long as no misfortune befalls it, is capable of providing for its own normal needs but which, in the event of accident or illness, requires outside financial help to meet the costs of treatment. To determine the size and make-up of this group with any great degree of precision is extremely difficult, if not impossible. It would be reasonable, however, to suppose that any individual\* (and his dependents) who is required to pay income tax should not be considered medically indigent. The government's decision that his income is adequate to contribute directly to the cost of government on an "abilityto pay" premise is a contradiction of indigence. Conversely, however, if an individual's income is below the taxable level, it may be argued that in varying degrees there are marrow margins over and above those required for the necessities of life, Even amongst this group there are large numbers who would not be eligible for subsidy, for example, employees covered under employer-employee benefit plans and those whose medical care is already otherwise paid for by federal and provincial government schemes.
  - \* "Individual" would require a suitable definition.

- 11. This approach to the problem incorporates a number of obvious advantages:
  - (1) Some allowance is automatically made for the size of the individual family since the income tax exemption is larger for individuals with larger dependent families.
  - (2) An automatic adjustment is made with respect to the aged because they are allowed a larger income tax exemption.
  - (3) Inasmuch as some 80 per cent of the population is already income tested through existing legislation, the identification of the medically indigent group by this means would not involve the application of a means test.
  - (4) Qualification for subsidy can quickly and easily be determined by making use of the machinery which is already in existence. The procedure which the individual must go through to receive a subsidy is no more than that required of taxpaying Canadians.

#### THE AMOUNT OF THE SUBSIDY

- 12. It should be made clear that under a plan of the type we propose, the carriers do not seek or want subsidies of any kind. In discussing the amount and type of the subsidy which might be provided, two points must be considered
  - (1) The government subsidy ought to be to the individual and not to the provider

family qualified, provided no individual member of the family was required to pay an income tax. Where a member of that family was required to pay an income tax, that member would be excluded for the purpose of determining the subsidy.

# MECHANICS OF MAKING THE SUBSIDY AVAILABLE

- 15. An individual, by submitting his regular income tax form to the Federal Income Tax Department to demonstrate his eligibility for it, may apply for the subsidy applicable to him that year. The application for subsidy would be required each taxation year.
- 16. It should be understood that individual initiative would be required in order to apply for the subsidy and some might decide not to apply. The essential point is that the subsidy would be available and hence the insurance also.
- 17. The individual, having applied to and been approved by the Income Tax Department would receive a voucher. He would then be in a position to maintain an individual or family contract of one of the two types outlined in the Association's main submission or any other form of health insurance coverage determined to be eligible for this purpose. He would use the voucher to pay all or part of the required premium, supplying, where necessary, the balance in cash. The insurer would then issue the policy and reimburse itself for the subsidized portion of the premium by presenting the voucher to the government. The coverage could be purchased from any carrier of health insurance selling individual or family policies including service plans and other private plans as well as the licensed companies.

of the insurance coverage. It then becomes a matter for the individual to determine whether he is eligible for the subsidy and to make the necessary application to receive it.

- (2) Although the amount of the subsidy may range from a nominal percentage to as high as 100 per cent of the premium required, it is assumed that the cost of this subsidy would be shared in some way by the various levels of government. This division of the total subsidy, of course, is a matter for negotiation between the governments and is an area to be explored by governments and not the insurers.
- now providing medical care for certain groups
  of the population. To the extent that these
  programs are continued, their beneficiaries
  should not be eligible for the proposed subsidy.
- 14. The amount of the subsidy could be in accordance with a table depending upon the income of the individual as illustrated below.

Income\* expressed as a percentage of income as a percentage of required insurance premium.

08	-	100%		259
65		79%		509
50		64%		759
100	2	1han	50%	1000

The subsidy would extend to the premium for the entire family in the cases where the head of the

<sup>\* &</sup>quot;Income" would be suitably defined as far as practical in accordance with the concepts of the Income Tax Act but could include transfer payments such as veterans' allowances, workmen's compensation and unemployment insurance payments.

#### SUMMARY AND RECOMMENDATIONS

- We appreciate the opportunity to appear before this Royal Commission to present information and recommendations for your consideration.
- Fall, we presented facts which indicated that the present system of voluntary health insurance is providing for the health care costs of Canadians on a broad scale. Approximately 10,000,000 of our people now have this type of coverage. These services have been greatly expanded over the past 15 years and they are still being extended rapidly. We expressed the view that the high quality of health care now available to most Canadians could best be maintained, and improved, for this and future generations by a continuation of the present voluntary system. We also said that we were developing a specific plan to extend this present coverage to make it available to all Canadians regardless of health, age, occupation or place of residence. Today, in this submission we are meeting that commitment.
- In this submission we are speaking on behalf of our ll4 member companies representing life, specialty and general insurers which represent 95% of the voluntary health insurance provided by insurance companies in Canada. In Appendix I we give full particulars of the nature and objectives of the Canadian Health Insurance Association, together with a complete list of our members. We speak from our position as insurance companies and from a background of many years' experience in underwriting health insurance plans for Canadians. We speak specifically to sections (g), (h) and (i) of your terms of reference, which deal with the financing of health care services. In view of the interlocking character of the many phases of this complex subject, we also offer some observations on the other points of reference in your terms of enquiry.
- 4. We caphasize in this submission, five points concerning

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the financing of health services:

- (1) The mechanism of voluntary health insurance has been, and is increasingly being, successfully used by Canadians to finance an important part of their health care costs. From modest proportions 20 years ago, it has grown to the stage where today, it is accepted as a necessity of life. Its rapid growth since the early Forties demonstrates public acceptance on a wide scale, and also shows the effective operation of the competitive system in providing an ever-increasing scale of benefits. Its importance to the health and economic security of Canadians is beyond debate. It has demonstrated advantages that are widely accepted. Further, we confidently believe that this system will continue its rapid growth and will further broaden its benefits. When a plan of the type proposed is put into operation, it should not be long before a large percentage of Canadians can enjoy the benefits of voluntary health insurance. What has already been accomplished is indeed a striking achievement, and one that justifies the full endorsement of this Commission.
- (2) A dramatic breakthrough in the extension of voluntary health insurance coverage to all Canadians, regardless of health, age, occupation or place of residence can be achieved by the establishment of a medical care insurance plan similar to that outlined in this submission. Member companies representing a very high percentage of the business done by our membership in this field, have already approved the plan in principle and have pledged themselves to its development. It is anticipated that our remaining members will similarly pledge support at our

Annual Meeting in May,

- (3) The past achievements of the voluntary system demonstrate an effective and economical way of financing health care costs which is in tune with the atmosphere and philosophy of Canadian Life.
  Canadians have a desire, even a deep determination, to pay their own way in this field and to retain the choice of doctor, patient and carrier which is inherent in the voluntary health insurance system.
- (4) The imposition of a compulsory government plan is unnecessary and, in the light of the present high level of all-government expenditures and the distinct elowdown in national productivity, could seriously harm the Canadian economy. We believe that when freed of the unsettling effects of possible government intervention, the voluntary system can and will achieve the desired high proportion of coverage.
- Association is "very well aware that some segments of the population are not in a financial position to pay even a most reasonable premium for voluntary medical insurance. Such persons, it feels, will continue to require financial assistance from governments or others; it believes, however, that it is unrealistic and unnecessary to institute overall, compulsory, government-sponsored plans applicable to the entire population just to care for this relatively limited group". We stand ready to help to solve this problem.
- 5. Apart from the financing of health services, this submission makes some chaervations on other aspects of the problem, emphasizing the following:
  - We believe that the members of the medical profession, together with other allied health services personnel,

are the most important element in guaranteeing the continuation of high standards of health care. This group holds a key position in medical research and in the training of future personnel. At stake is a much greater issue than the mere maintenance of the status quo; we must encourage a greater number and proportion of Canadians to enter these professions. Government has co-operated with private individuals, corporations and the medical professional societies in encouraging the recruiting and training of personnel and in the promotion of medical research. All, in our opinion, must continue to expand and increase their contributions to guarantee adequate finances and physical facilities.

- (2) The success of governments' natural role in support of public health and the provision of financial assistance to the needy has won wide respect and commendation. Developments in the care of the chronically ill, the aged, and mentally ill, pose equally serious financial problems.
- (3) The pendulum of health care swings between home and hospital. More and more emphasis is being placed by the medical profession on the importance and value of home care from a medical as well as a financial point of view. The availability of competent home nursing services, however, remains inadequate. We believe that early and concerted attention to the expansion of home nursing and homemakers' services will more than repay any effort and funds expended.
- (A) Accidental deaths, particularly those arising from traffic accidents, are a matter of great concern to all Canadians. The Canadian Medical Association

and the Canadian Righway Safety Council have recommended that the Criminal Code be carefully reviewed, especially regarding the problems of the drinking driver and the chronic violator of traffic safety regulations. We wholeheartedly endorse their actions, and support the broadening and strengthening of legislation as it applies to the penalties imposed on these offenders.

- 6. Arising from the discussion in this submission, we make the following recommendations:
  - (1) THAT this Royal Commission endorse the adoption of a medical care plan of the type illustrated in this submission,
  - (2) THAT the appropriate governments consider enabling legislation to permit the early operation of a medical care insurance plan of the type illustrated.
  - (3) THAT the appropriate governments waive the tax on all premiums payable for medical care insurance under accident and sickness policies,
  - (4) THAT in the matter of maintaining and extending health services in Canada, governments give priority to:
    - (a) expansion of facilities and financial assistance to encourage the entry of more Canadians into the medical and allied health services fields.
    - (b) the encouragement of greater medical research activities in Canada through the provision of facilities, grants-in-aid, bursaries, etc., etc.,
    - (c) the provision of treatment and rehabilitation facilities for the aged, chronically ill, and those suffering from mental illness,
    - (d) encouragement of organizations providing home nursing and homemakers' services throughout

the country,

(e) a review of the Criminal Code with regard to the problems of the drinking driver and chronic violator of traffic safety regulations, with careful consideration of the recommendations of the medical and traffic safety authorities.

#### SUBMISSION

#### SECTION A

AN ILLUSTRATIVE PLAN FOR THE EXTENSION OF MEDICAL CARE INSURANCE

- Without discussing the technical intricacies, these are the essential features of the suggested medical care plan:
  - The plan will make medical care insurance available to everyone in Canada.
  - (2) Insurance companies will make available to everyone, regardless of age, condition of health, occupation or geographic location, two standard policies of medical care insurance as described in Appendix II. These policies will be made available on both an individual and a family basis.
  - (3) Premiums for all policies will continue to be determined on a competitive basis, thus compelling the insurers to maintain efficient operations and so ensuring that premiums are kept to a minimum. For benefits under the standard policies, maximum premiums will be established by statutory formula, so that no one will have to pay more than these amounts regardless of his age, how hazardous his occupation, how poor his health or wherever his residence in Canada.
  - (4) A central reinsurance agency will be formed so that the excess medical care costs of those people whom it has been necessary to insure at the maximum premiums can be equitably shared among all others protected for medical care costs, under either group or individual policies.
  - (5) For purposes of illustration and discussion, the

    Association suggests that one of the standard policies
    under the proposed plan should provide for in-hospital
    medical services including surpical care, physician's
    attendance, anaesthatics and such laboratory, disgnostic
    and X-ray services as are not already provided by existing
    Provincial Hospital Insurance Plans. For family policies,
    it would provide for obstatrical care and delivery. It

- would also provide coverage for the major portion of the cost of medical care outside the hospital and while the insured is an out-patient at a hospital. This last coverage, however, could be omitted at the option of the insured under the terms of the In-Hospital policy.
- (6) All insurance companies will continue to offer a wide variety of plans and to experiment with new coverages for all those who can qualify for them.
- (7) Group insurance, which has proved itself to be a most efficient method of providing medical care insurance for a large part of the population, will continue to spread its coverage and to develop new forms of benefit to be used in those situations that are appropriate and without assigning substandard risks to the proposed pool.

#### SECTION I

# ADVANTAGES OF THE FLAN FOR THE EXTENSION OF MEDICAL CARE INSURANCE

- 2. The proposed plan for the extension of medical care insurance adds substantially to the many advantages which the voluntary system has over any compulsory, government plan. It thus benefits the individual, the medical profession, the government and the country as a whole.
- 3. Among the principal advantages are the following:
  - (1) Medical care insurance to cover the bulk of the important cost that most frequently occurs will be made available to everyone who can pay the premiums, but no one will be compelled to buy it.
  - (2) Our proposals leave to the government the activities that are generally considered to be a part of governments, role; for example, aid to those who are unable to provide completely for their own needs.
  - (3) Our proposals solve the problem of the health insurance needs of the nation without requiring any government contribution. Consequently, serious political and economic problems for present and future generations are swoided. Under these proposals large and constantly increasing commitments for health care will not become a taxation problem for future governments and eventually a fiscal nightmare.
  - (4) The proposed CHIA plan makes use of the market place where the individual may exercise his right of free choice to buy or not to buy; and, if to buy, what to buy. Thus it does not compel everyone to accept exactly the same arrangements to provide for health care. At the same time, for those to whom the expenditure of even a relatively very small sum is a matter of concern, it provides a standard policy at a rate which no insurer may exceed, but which

- because of the competitive element, some insurers may reduce.
- (5) Other traditional advantages of a competitive over a monopolistic system are preserved. These include better service, flexibility, a wider variety of coverages and the freedom of the purchaser to "shop around" for the best bargain he can make.
- (6) The extremely personal relationship of doctor and patient is protected by preventing any agency from influencing or controlling the freedom of the individual to choose his doctor and of the doctor to accept or decline his patient. The necessity for such control has traditionally arisen under compulsory government plans.
- (7) It is much safer for the economy of Canada to have many people making individual decisions on health insurance in the market place than to have a few people making far-reaching public decisions on such matters. The long-range effects of legislation required to implement a compulsory plan are impossible to foretell. The possibility of qualitative and quantitative deterioration of health care services should not be overlooked.
- (6) No participation by government is required, either financial or otherwise, except the legislation required to set up the central reinsurance agency and the possible remission of taxes on the premiums payable for medical care insurance under accident and sickness policies.
- (9) The extension of medical care insurance will pave the way for the widest activity in the individual field by member companies, including major companies not now active in this area. This intensified activity means a rapid spread of coverage as the agency forces of the companies bring it to the

attention of the public. In fact, the life insurance agents, through The Life Underwriters Association of Canada, have already indicated their endorsement in principle and pledged their support to the achievement of this objective (see Appendix VI).

# APPENDIX "B"

CONSUMER CREDIT AND THE LOW INCOME CONSUMER

Brief to the Special Senate Committee on Poverty

submitted by

JACOB S. ZIEGEL, Professor of Law, Osgoode Hall Law School, Toronto.

October, 1970.

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SENATOR CROLL, HONOURABLE MEMBERS OF THE COMMITTEE:

- 1. My purpose in appearing before the Committee today is to discuss the impact of consumer credit on low income wage earners and, in particular, to draw attention to a number of critical problems. My brief will be short because I have already expressed many of my views in the chapter on the Legal Aspects of the Regulation of Consumer Credit which appears in the study on CONSUMER CREDIT AND THE LOWER INCOME FAMILY (hereafter referred to as the Hamilton Study) published by the Canadian Welfare Council in March of this year and of which, I understand, copies have been made available to the members of this Committee.
- 2. By way of additional materials I am attaching to this brief
  two other recent publications that may be of interest to this Committee.
  The first is a report on consumer credit published by the Canadian
  Consumer Council last December and submitted to the Minister of Consumer
  and Corporate Affairs; the second is an article by me on the need for
  a credit register which appeared in the Globe & Mail on October 2nd of
  this year. The Hamilton report contains a large volume of statistical

and other information which is directly relevant to this brief. I
shall also refer in the course of my remarks to some of the findings
made in a recently concluded but still unpublished Montreal study conducted under my supervision of 250 Quebec debtors who availed themselves
of the Quebec wage earners receivership law, commonly referred to as the
Lacombe Law.

3. My submissions may be summarized as follows. First, there is the most cogent evidence that a large number of low income wage earners are heavily in debt and that the earnings of many of them are so low that they really cannot afford to use consumer credit at all. I shall therefore suggest a number of steps that can and should be taken to discourage the excessive granting and use of consumer credit. My second submission is that much more needs to be done, both federally and at the provincial levels, to provide relief for the overcommitted low income consumer. I recommend in particular the prohibition of wage assignments and the submission of wage garnishments and all other measures for the enforcement of judgments to strict judicial supervision. I am also of the opinion that Part X of the Bankruptcy Act and the personal bankruptcy

provisions of the Bankruptcy Act need prompt revision if they are to be of maximum benefit to those whom they should be designed to serve.

Thirdly, I urge the long overdue overhaul of the Small Loans Act and, in particular, the raising of the ceiling on loans subject to the Act from \$1,500 to at least \$7,500 and the transfer of the administration of the Act from the Department of Finance to the Department of Consumer and Corporate Affairs.

Permit me now to enlarge on these points.

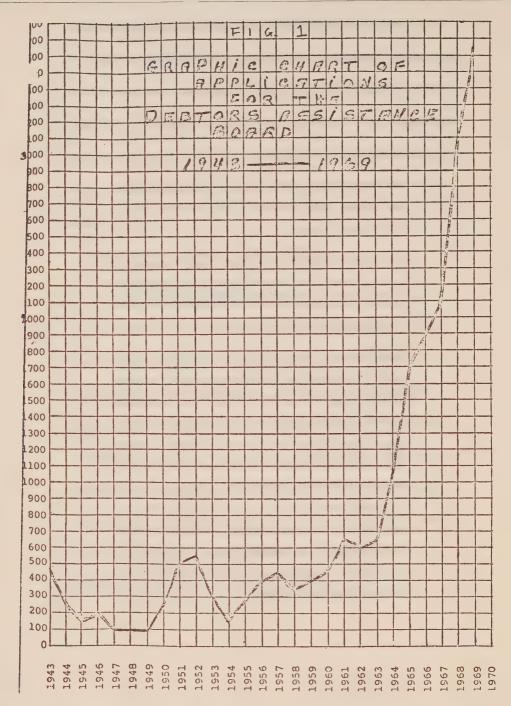
- I. PREVENTING THE EXCESSIVE GRANTING AND USE OF CREDIT
- 4. Consumer credit in Canada has grown at a prodigious rate since the end of World War II, from \$835m. at the end of 1948 to almost 11 billion dollars at the present time. Consumer credit now represents approximately 21% of the net personal disposable income of all Canadians as compared to 7.5% for 1948. Canadians are the second largest users of consumer credit in the free world. What is particularly striking about these figures is the fact that the growth of consumer credit has been much more rapid than the growth of almost every other index of activity in the Canadian economy.

5. Such an excessive rate of growth leads, I think, to many bad consequences. One of the most important is that it encourages the consumer to misallocate his resources and to become overextended. There is overwhelming evidence that this is happening in practice. Here are a few statistics selected at random:

The Hamilton Study showed that 25% of the respondents had consumer debts amounting to 25% or more of their gross annual income.

The value of delinquent accounts on small loans granted by the consumer loan companies amounted to \$143,348,272 in 1968 and represented 23.1% of the value of all outstanding balances for that year.

There has been a rapid growth in the demand for consumer credit counselling and prorating services of all kinds. Since opening its doors in 1966 the Credit Counselling Service of Metropolitan Toronto has handled some 6,517 cases; the Division Court Referee in Toronto has been interviewing up to 7,000 debtors a year, and one knowledgable credit union manager has estimated the number of Toronto families with debt problems at 50,000. The experience of the Alberta Debtors Assistance Board is also arresting. As shown in Figure 1, the number of applications for assistance to the Board has risen from 600 in 1962 to 3,666 in 1969.



Again, to quote the Hamilton Study, out of 190 families for whom records were available 62.7% had satisfactory credit ratings; 15.7% were regarded as borderline cases; and 14.7% were regarded as unsatisfactory. 25.2% of all the families in the sample had a history of debt litigation, some of the debtors having been sued as often as twelve times during a five year period.

- 6. Particularly disturbing is the evidence that there is a substantial percentage of indebted families at the poverty level who cannot afford credit at all and who would appear to be using credit as a means of supplementing their inadequate incomes. 35.6% of the Hamilton families have an annual gross income of less than \$5,000. Most of them were lightly to heavily indebted. Those earning under \$3,000 were spending 124% of their income on housing, food and clothing. Those earning between \$3-4,000 were spending 90% of their income on these basic items and those earning \$4-5,000, 86%. It will be recalled that the Economic Council of Canada regards basic expenditures in excess of 70% of income as a sign of poverty.
- 7. The figures from the Montreal study are even more disturbing.
  74.4% of the 250 families studied had a net annual income of less than

\$5,000. The average family size was 3.9, and the average basic house-hold expenses for those whose expenses were scrutinized amounted to \$3,688.66. (We found a persistent tendency among the respondents to underestimate their expenses). The average declared indebtedness among all the families was \$2,119.21.

multiple and are by no means exclusively ascribable to irresponsible credit granting practices: such factors as unemployment, family illness, withdrawal of the wife from the labor market, and mismanagement by the consumer of his financial affairs are also important contributory factors. But in the eyes of many competent observers the encouragement to use credit and the ease with which it can be obtained is the single most important cause. The evidence for this conclusion can be seen both in the figures showing the post-war growth in consumer credit which I have quoted earlier, in the massive credit advertising which appears daily in all Canadian news media, in the ubiquitousness of "easy" and "no down-payment" plans, and in the distribution of unsolicited credit cards. (A recent example of the way credit is "thrust" upon wage earning consumers

may be seen from Appendix 1.).

- 9. There are many reasons why credit is so readily obtainable by almost every segment of our population. Here are some of them:
  - (a) Credit is an important marketing tool for the sale of goods and services and enormously increases the volume of sales. In the case of high priced units, it is an indispensable marketing tool.
  - (b) Competitive pressures. If one important merchant offers 'no downpayment' or other easy payment plans, his competitors must follow suit or lose business.
  - (c) The ability to offset losses through high credit charges,
    a large volume of transactions, or both. This is
    particularly true of consumer loan companies, whose
    prevailing rates for loans above \$1,500 appear to average around 22% per annum almost twice the bank or
    credit union rate.
  - (d) Some types of merchants and lenders specialize in catering to low income consumers.
- 10. A subsidiary reason is that it is often difficult for even a conscientious credit grantor to obtain an accurate and complete picture about an applicant's debt position because of the absence of a central

registry for existing debts.

- 11. If the Committee shares my concern about the level of indebtedness among low income families, then it is necessary to look for some
  preventive measures. Without attempting an exhaustive catalogue, I
  suggest the following:
- the need here for three types of approaches. First, the prohibition under Section 33D of the Combines Investigation Act should be vigorously enforced to stop deceptive advertisements with respect to credit. Section 33D also needs to be amended to cover unfair acts or practices which may not technically involve deceptive forms of advertising but are equally objectionable. I have in mind such misleading practices as describing credit as "easy credit" when in fact it may be anything but that. Concurrently the provinces should also be urged to enforce their own advertising provisions and to strengthen them when necessary. It is my distinct impression that the existing provisions are rarely enforced and widely ignored in practice.

In the second place, specific forms of actual or potential abuses,

such as the mailing of unsolicited credit cards or promissory notes,
should be outlawed, as they already have been in several provinces. Thirdly, the provincial credit administrators should be empowered to enjoin
or to bring a court action to enjoin unconscionable credit practices
generally, including the power to stop the reckless granting of credit to
persons who cannot afford it or who cannot reasonably be expected to
benefit from it. Such a power exists in Section 6.111 of the Uniform
Consumer Credit Code in the United States.

- (2) <u>Ceiling on loan charges</u>. A ceiling should be placed on the cost of borrowing for consumer loans up to at least \$7,500. I support again the reasoning and the recommendations on this point in the report of the Canadian Consumer Council. (See Appendix 2). 'A ceiling serves a double function: it protects the unsophisticated and vulnerable borrower against exploitation and it encourages the lender to adopt more prudent credit standards.
- (4) Restrictions on creditors' remedies. New, and in the case of some provinces further, restrictions should be placed on a creditor's remedies, both with respect to the types of security that may be taken

and the manner in which it may be enforced and with respect to the availability and enforcement of personal judgments. I return to this question later in this brief. The object of such restrictions is again twofold, namely, to protect the consumer and to encourage higher credit standards.

- (4) The same objectives underly the need for greatly improved statutory prorating and personal bankruptcy facilities under the Bankruptcy Act. This theme too is elaborated later on.
- (5) The establishment of a mandatory central register of creditors and the establishment of an order of priorities among general creditors.

  The purpose of this proposal and its mechanics are explained in Appendix 2.
- programmes. Everyone agrees that the consumer is often ill-informed and financially naive, and that there is a great need for educational and counselling programmes. Such limited efforts as exist however are quite inadequate and mostly useless from the point of view of the low income consumer. It is easy to understand why. As Table 1 shows, the level of education of low income consumers who encounter financial prob-

lems is frequently very low, although I am not suggesting that there is
a necessary correlation between the two.

Table 1. Educational Levels of Debtors in Montreal Study

Up to and including Grade VII	57.6%
2 years or less of high school	15.2%
*** 1 1 1 1 1 1	
High school diploma	9.2%
10	
1-2 years of university	6.8%
Mara than 2 man of and a to	
More than 2 years of university	. 8%

The problems of trying to reach low income consumers are clearly
brought out in a study on "Consumer Education in Canada" recently completed by the Director of the Canadian Association for Adult Education for the Canadian Consumer Council. I quote at random some of Mr. Pummell's conclusions:

"The average Canadian appears to be interested in consumer education only when some matter arises that affects his pocket book and his family's well-being. Low-income and welfare groups are, I believe, apathetic. They have little or no real interest except when they come to recognize an actual need, and then only when information is given to them by a person of their own social and economic status." (Chapter 4, page 1).

"Although 80% of the school systems responding to the survey stated they were doing an adequate job in consumer education, the great majority of those interviewed believe that school programs are ineffective. Comments such as "school programmes are ridiculous"; "99% of business education students know very little about money management, budgeting, or the use of credit" express a widespread view." (Chapter 4, page 1).

"In my opinion, many of the consumer education courses provided by school boards, community colleges and universities as part of their adult education programs are not effective. Though informative, and of interest and value to the middle and lower middle class people who enrol in them, such courses do not reach, or even appeal to the groups that need consumer education most, those in the low-income and welfare brackets." (Chapter 4, page 1).

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"People with low income and those on welfare usually do not take part in formal consumer education programs. They are willing to accept advice, help and instruction from persons whom they feel are like themselves. But they do not readily accept instruction on food preparation, family financing and other such matters from home economists, social workers or other professionals. It is easy to rationalize this negative response: "She's never been on welfare, she's never been up against it, she doesn't know what she's talking about." (Chapter 4, page 3).

"In the opinion of most people I interviewed, TV is by far the most effective medium of communication. This is particularly the case with low-income groups. Radio is considered the second most effective means of conveying a message. "Hot" or "open line" programs are especially favoured. Booklets, brochures and pamphlets, no matter how well they are illustrated, appear to be of little value to most people, and of no value to those who need help most." (Chapter 4, page 6).

The last quotation is particularly relevant so far as efforts are concerned to persuade low-income consumers to use credit wisely and with circumspection. If the efforts are to be more than exercises in tokenism, then governments must be prepared to use the public media with the same skills, techniques and concentration as the private sector. I

should particularly like to see such pointed televised messages as "Is

your credit purchase really necessary? Would you not be better off to

wait and pay cash?", "Can you afford this additional expense? Have you

provided in your budget for unforeseen contingencies?", and "Do you

know how much your credit is costing you? Do you realize it may add an

extra x% to the item or to the amount repayable on the loan?".

countries where up to now the government appears largely to have ignored the impact of consumer credit on the overall state of the economy. This is paradoxical, having regard to the purposes of the Prices and Incomes Commission and the government's concern with inflation. If the government considers wage and price increases beyond 6% inflationary, ought it not to be equally concerned about rates of growth in consumer credit that during recent years have been twice as large? I accordingly urge that the terms of reference of the Prices and Incomes Commission be widened to include consumer credit. Alternatively or additionally, the Economic Council of Canada might be asked to undertake this watchdog role and to conduct probing enquiries at regular intervals into the social and

economic impact of consumer credit and to sound warnings whenever necessary.

12. I realize that many of the above suggested measures are only palliatives and that more Draconian and direct measures to curtail the excessive growth of consumer credit might be deployed. I have not discussed them, either because they would be difficult to apply (e.g., minimum downpayment requirements) or because they would be unacceptable to most consumers (e.g., the prohibition of credit cards - a suggestion made by some Quebec spokesmen), or because they are impractical (e.g., imposing a ceiling on the amount of credit a consumer would be entitled to use during his lifetime or some other designated period -- the semijocular suggestion of Max Saltsman, M.P.). I am hopeful that the combined affect of the measures I have indicated will discourage the excessive granting of credit. I am particularly optimistic that a truly activist role by our governments, especially in the educational area, will help to restore a sense of balance and a saner approach to the use But if I am mistaken in my assumption and greedy credit grantors are not deterred by the measures I have suggested, then I would

certainly agree that more drastic steps may have to be taken.

#### II. RELIEF FOR THE OVERCOMMITTED DEBTOR

- 13. Even under the most favorable circumstances there will always be debtors who will fall victim to consumer credit. For the state to come to their aid is not only sound humanitarianism, it is also sound economics. An overextended debtor who is forced into unemployment becomes a charge on the public purse and loses his self-respect. A protected debtor at least has the opportunity to repair his economic fences and to rehabilitate himself.
- 14. In my chapter in the Hamilton Study I have tried to sketch the principal remedies that are available to creditors and the extent to which they are regulated by federal and provincial laws. I also dealt there with the types of relief that are presently available to the overcommitted debtor. As will be seen, my conclusion was, and still is, that there are serious defects in the statutory framework.
- 15. The defects relate both to the "real" remedies of the creditor and to his personal remedies. These need to be considered separately.
  Host provincial laws impose few restrictions on the security which a

creditor may take for a consumer loan or a consumer purchase. It is reasonable that a seller should be entitled to retain a purchase money lien on a high priced item he may sell on credit, but there is little justification in my opinion for allowing a lender to take household goods as security for a non-purchase money loan. It is common practice for the consumer loan companies and, to a lesser extent, the banks and credit unions to take such security. I urge that the federal government exercise its power to prohibit the practice. By common consent a security on a bedroom suite, a chesterfield, or even a used T.V. set has It appears to be taken, first, as a weapon with which to little value. threaten a delinquent debtor and, secondly, out of a fear that if the lender does not require the security a competing creditor may. civilized society interference with the basic amenities of family life should not be tolerated. If this type of security is enjoined all creditors will be placed on the same footing and so the second reason for wishing to use it will also be removed.

16. Most provinces place few restrictions on the repossession of goods subject to a security interest. This aspect too requires closer

require the court's approval to repossess where two-thirds or more of the purchase price has been paid, but this provision provides little protection for the buyer since most repossessions occur well before this much has been paid. In my judgment the court's approval should be necessary in all cases. This will have the desirable objective of discouraging no downpayment plans for high priced items and, equally important, it will provide some protection against the loss by the consumer of goods that are essential to his welfare or for his work.

What is true of goods that are subject to a purchase money lien should be even truer of goods that are offered as security for a general loan.

17. Important though the regulation of the creditors real remedies may be, in recent years the most serious problems have arisen with respect to the creditor's personal remedies. For many types of credit the creditor obtains no security in goods or the security is not worth enforcing. The creditor will then obtain a personal judgment against the debtor and seek to enforce it by the most promising means. In practice this usually involves attaching the debtor's wages. From the

debtor's point of view it is a devastating weapon, first, because most employers resent being turned into a collection agency and threaten to discharge an employee whose wages are garnisheed more than once and, secondly, because after garnishment the debtor is usually left with not enough money to support himself or his family. More than any other factor, garnishments or the fear of them (and wage assignments, which basically raise the same problems, must be placed in the same category) are responsible for the large number of applications for assistance made to credit counselling agencies and the provincial authorities administering Part X of the Bankruptcy Act. It has been shown that in the U.S. there is a clear correlation between the garnishment laws of a state and the number of personal bankruptcies filed by its citizens.

18. The gross inadequacy of existing provincial laws may be illustrated by the Ontario position. Ontario law exempts from seizures 70% of the debtor's salary. No specific provisions are made for the debtor's marital status, the size of his family, or his actual needs. Assume that we have a married debtor with three children and that his weekly salary amounts to \$110. If his salary is attached, he will then be

expected to support his family on a maximum of \$77 (in practice it will be at least 25% less because of taxes, pension contributions and other deductions by the employer). Mr. David Scott, the Division Court Referee in Toronto, has pointed out that in such circumstances the debtor would be better off if he gave up work and applied for social welfare assistance since as a welfare recipient he could expect to receive \$357 monthly (equivalent to about \$85 weekly) without having to pay taxes or suffer the other usual deductions.

19. The Ontario Wages Act at least entitles the debtor to apply to the court for an increase in the amount of his exemption or even for a complete exemption. But even this, it seems to me, does not go far enough. The burden should not lie on the debtor to seek relief, particularly since much of the damage resulting from the wage garnishment will already have been done. In my firm opinion, no creditor should be permitted to attach a man's salary without a prior court hearing to determine the debtor's basic needs and his capacity to pay. What I have said about garnishments applies even more strongly to wage assignments. In fact, generally speaking, wage assignments should not be

permitted at all.

- 20. It happens frequently that a debtor who is heavily overcommitted is indebted to numerous/creditors. For example, the average number of creditors per debtor in our Montreal study was 6.09. In such circumstances the debtor will need much more extensive relief and should consider either a prorating plan under Part X of the Bankruptcy Act or the desirability of filing a petition in bankruptcy.
- 21. In my Hamilton chapter I considered both these alternatives and drew attention to the serious shortcomings from which they both suffer under the existing law. I had occasion this summer to meet a number of provincial administrators and to discuss their experiences under Part X. As a result I find that I considerably underestimated the shortcomings of Part X. I also found substantial variations in the administration of this part of the Bankruptcy Act, part of the reason being that there appears to be no one in Ottawa who is sufficiently experienced to provide the necessary guidance. The omission is particularly serious for the four provinces who only adopted Part X this year and therefore have no backlog of experience of their own to fall

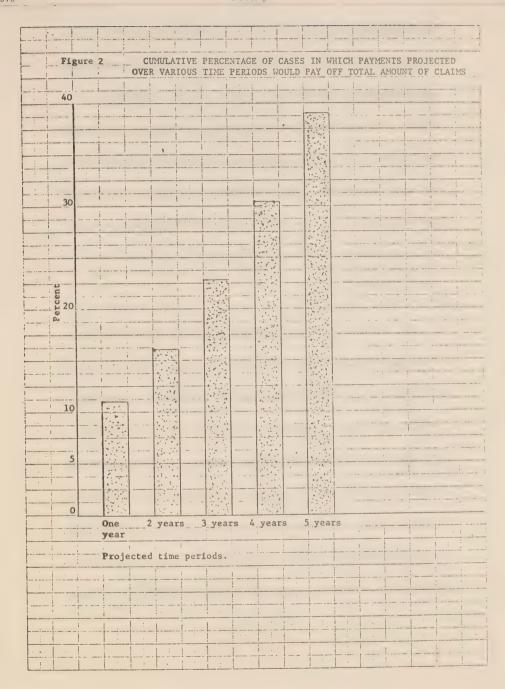
Ontario, our largest province, still has not adopted Part X. Access
to Part X, in my opinion, should be a matter of right for all Canadian
consumers and not be made contingent on the vagaries of local political
conditions.

22. A prorating plan, whether statutory or voluntary, is only
suitable for debtors who are lightly indebted or have a substantial
discretionary income. The statistics show that a high percentage of
debtors applying for aid are hopelessly insolvent and cannot be expected
to pay off their debts within three years or any other reasonable period.
For example, out of the 6,517 cases handled by the Credit Counselling
Service of Metropolitan Toronto since 1966, 1902 cases or approximately
30% of the total were "counselled and referred elsewhere". They had
15,847 creditors and owed \$7,392,685, or approximately 32% of the total
amount owing by all the agency's applicants. "Counselled and referred
elsewhere" is, I understand, a euphemism for debtors who, in the agency's
opinion, are hopelessly insolvent and beyond the agency's aid. The
experience of the Part X administrators in Alberta and Manitoba is that

30-40% of their cases basically fall into the same category. The figures in our Montreal study are even more striking. We calculated the payments made by the debtors in the first nine months following inscription under the Lacombe Law. As shown in Figure 2, we found that if payments were to be maintained at the same rate over a five-year period only 39.60% of the debtors would have discharged their debts in full at the end of this period.

- 23. It follows that there is much misunderstanding as to what Part X and similar schemes can, or should be expected to, accomplish. It does nothing for the seriously insolvent debtor except possibly to prolong his misery and to waste a good deal of the time of Part X officials. The obvious answer is a simple, inexpensive, and expeditious discharge of the debts of such persons, coupled with an effective post-discharge counselling service to ensure that the debtor does not fall into the same trap twice. The importance of such a service has been strongly stressed to me by a highly experienced Western provincial official.
- 24. I have eschewed use of the word "bankruptcy" because it seems to me that the whole atmosphere and structure of the existing Bankruptcy

3:99



Act (other than Part X) is unsuited to the needs of the type of debtor

we are discussing. It is cumbersome, much too formalistic, and prohibitively expensive from the debtor's point of view. Above all, it

proceeds from the false premise that there are assets to administer and
that the debtor is a rather disreputable person who must be made to walk
the stones to purgatory. As I have shown, the average insolvent debtor

operates within or near the margins of poverty and his misfortunes are

not self-generated but actively contributed to by our excessively credit

oriented society.

25. It seems to me equally important that the facilities for a simple discharge should constitute an integral part of the provisions of a revised Part X. This would have a number of important advantages.

First and foremost, it would avoid the need for a private trustee in bankruptcy and the concomitant expense and delay. The Part X administrator could easily replace his role as indeed he already does for the purposes of working out a prorating plan under Part X. In the second place, it would arm the administrator with a much more flexible range of powers and enable him in each case to make the kind of order called

for by the circumstances -- whether that be a simple prorating order, a partial prorating order followed by a discharge of the remaining debts, or an immediate discharge. (I have left aside the important question which has been so much debated in the U.S. whether a debtor who is without present distributable assets should be entitled to a discharge as of right or whether the court should have a discretion to make instead a Part X type order).

26. In concluding this portion of my brief, I should like to add

two further observations. First, I do not think that voluntary counselling and prorating services, such as exist in Toronto and a few other

Canadian cities, should be regarded as a substitute for a statutory

service or as an excuse for not adopting Part X. I have given my reasons

for this view in the Hamilton Study. Secondly, I see no reason why most

of the cost of operating Part X should not be borne by creditors, just as

they help to bear the cost of maintaining regular bankruptcy services, by

deducting a service fee from all payments into court made by the debtors.

A 15% service fee would go a long way to accomplishing this goal. It

would also dispense with whatever justification there may be for collect-

ing filing fees from the debtors(currently amounting to \$10), which I am told they frequently have difficulty in raising. It is indicative of the absence of a consistent philosophy in Part X that the state should exact a fee from insolvent debtors in order to grant them relief from having to make payments to others!

#### III. REVISION OF THE SMALL LOANS ACT

wage earner what the chartered banks and credit unions are to his more affluent colleagues. This conclusion is supported by all the available data and it is strikingly desmonstrated by a number of debt studies, including the Montreal study. The September 1970 Operations Summary of the Credit Counselling Service of Metropolitan Toronto shows that of the \$2,048,772 paid out to creditors between 1966 and August 1970, finance companies received \$1,014,953, or just under 50%. ("Finance companies" are not defined but presumably the term covers sales finance companies as well as consumer loan companies). The next largest recipients were retail stores with 17% and banks with 9%. The 27th Annual Report of the Debtors' Assistance Board of Alberta shows the following breakdown of

creditors based on an analysis of 409 Edmonton consolidation orders:

Amount Owing to:	Banks	\$330.00	10.16%
	Credit Union	166.00	5.11%
	Finance Companies	1,385.00	39.56%
	Department Stores	408.00	12.56%
	Collection Agencies	127.00	3.88%
	Medical Services	82.00	2.53%
	Car Payments & Expenses	189.00	7.08%
	Other	662.00	19.12%

- 28. The Montreal figures, which are based on the aggregate value of all claims filed for the various categories of creditors, are shown in Figure 3. As will be seen, small loan licencees again easily lead the field with 37% of the value of all claims as compared to 8% for caisses populaires and credit unions, 8% for sales finance companies, and 7% for the chartered banks.\* The while columns in Figure 3 show the distribution of consumer credit in Canada in July 1968 among the same categories of creditors. It will be observed that the national distribution is quite different from the distribution among the Lacombe Law debtors, with the banks leading the field with almost 40% and the small loan licencees trailing a poor second with 17.5%.
  - 29. The fact that the consumer loan companies are preeminently

<sup>\*</sup> The precentages have been rounded off to the nearest whole point.

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the "poor man's banker" in our society would by itself be cause for no alarm — indeed, some might argue the contrary — were it not for a number of other factors. The first is the high cost of such credit to the borrower and the second is that a high percentage of such loans is made not for what I may loosely call productive purposes but to pay off existing debts or to meet liabilities generated as a by-product of assets earlier acquired on the credit plan, e.g., to pay for repairs or insurance on a car.

\$1,500 are governed, with some exceptions, by the Small Loans Act. Even the regulated rates are high, both in absolute terms and more particularly when judged by the income of low income borrowers. The cost of a loan of \$1,000, for example, averages out at 17.68% if the loan is repaid over 24 months and, in dollar terms, would amount to \$194.43. (The cost of credit life insurance would add at least another \$7.00). This figure is as much as some, if not most, social assistance plans would allow for the clothing necessities of a single adult over a similar period. The problem is accentuated because many small loan borrowers are "repeat"

borrowers and remain chronically indebted to consumer loan companies

over a period of many years. The figures cited in the Annual Report

of the Superintendent of Insurance for 1968 illustrate the point. 69%

of all the small loans in that year were made to "current" borrowers,

i.e., borrowers who at the time of the loan were still indebted to the

lender under an earlier loan.

- 31. What is true of regulated loans is that much truer of unregulated loans. Such loans have grown rapidly in recent years and, in 1968, amounted to \$345,662,426 or over a third of all loan balances outstanding to small loan licencees. They also accounted, together with non-loan activities, for the bulk of the profit made in that year by the companies, viz., \$12,554,406 out of total net profits of \$17,724,546. These figures no doubt explain the popularity of unregulated loans with the companies.
- 32. Various reports published since 1964, including the report of the Joint Senate-House of Commons Committee on Consumer Credit of which Senator Croll was joint chairman, have recommended that the ceiling on regulated loans be raised to a much more substantial and realistic figure.

  I am delighted to hear from the recent speech from the throne that the

government finally intends to introduce amending legislation. However, it would be entirely mistaken to assume that the only thing that is wrong with the Small Loans Act is its low ceiling. In the light of the earlier parts of this brief it should be clear that the whole Act needs a complete overhaul. It should deal not only with the cost of regulated loans but with all other aspects of such loans including (a) disclosure of the cost of such loans; (b) permissible and non-permissible types of security; (c) deceptive and other unconscionable methods connected with the solicitation of loans; and (d) enforcement of loans. All these aspects should be well within the constitutional competence of the Federal Government and, if well drafted, would constitute the basis for a long overdue national code of consumer credit. On the latter point I would draw the committee's attention to the recommendations of the Canadian Consumer Council (see Appendix 1).

33. I would also urge adoption of the Council's recommendation that the administration of the Small Loans Act (and, I would add, the administration of all other consumer credit oriented legislation) be transferred to the Department of Consumer and Corporate Affairs, with

the expectation that in this more natural environment the Superintendent of Small Loans would be encouraged to play a much more active role than he has in the past.

RESPECTFULLY SUBMITTED

Jacob S. Ziegel

Osgoode Hall Law School, October 14, 1970.

#### APPENDIX "C"

## STATEMENT ON POVERTY

# SUBMITTED BY THE CANADIAN JEWISH CONGRESS

# TO THE SPECIAL SENATE COMMITTEE ON POVERTY

### 1. INTRODUCTION

The Canadian Jewish Congress is an organization fully representative of the Jewish community through the election of its delegates from organizations and the public at large by democratic processes. Founded in 1919 and reorganized in 1934, it has been the acknowledged spokesman of the Jewish community on public issues and in this capacity, has been recognized by municipal, provincial, federal and international authorities as the authoritative body of the Jewish community.

#### 2. NATURE OF PRESENTATION

This statement is designed to provide the background for a fuller consideration of the question of poverty and welfare by the Canadian Jewish Congress. It is our intention here to simply outline some of the historical roots which have required the Jewish people to be concerned with the welfare of all members of the community. In addition we include the lessons we have learned from welfare activities in the Jewish and general communities, lessons which should be considered in the development and updating of welfare institutions in Canada. We wish to emphasize that this statement is only intended to be a background paper because the Canadian Jewish Congress hopes to conduct a series of further explorations and studies this fall when the White Paper on Welfare Services is released, in order to review and assess the proposals which

will be contained in the Paper. Planning is already underway to conduct this review and assessment. All segments of the community will be involved in the process. We believe that in this way we can make our best contribution to the discussion of the problem of poverty by combining knowledge gained from historical experience with knowledge gained from involving those directly concerned with the issues.

Poverty

### 3. THE JEWISH VIEW OF THE POOR AND POVERTY

The Jewish ideal, as set forth in the Torah, the Five Books of Moses, is the absence of poverty. There should be 1. no needy in the land. This ideal will not be achieved automatically through Divine intervention. Indeed, man has specific responsibilities and obligations toward his fellow man, and though he will never achieve a perfect society on earth he is obligated always to strive for it.

These responsibilities and obligations toward the needy as set out in the Torah must surely constitute the world's first comprehensive anti-poverty program. In a short paper we cannot fully explore all of the relevant precepts. Instead, we list here the major Biblical components: interest-free loans 2. 3. to the poor ; the poor tithe ; leaving the corners of fields 4. 5. for the poor ; freeing of slaves every seven years, ; as well as the humane provisions for slaves who were to be treated more

J. H. Hertz, Ed., The Pentateuch and Haftorahs, London: Soncino Press, second edition, 1965, p. 812, Deuteronomy XV, 4.

<sup>2.</sup> ibid, Leviticus XXV 35-37

<sup>3.</sup> ibid, Deuteronomy XIV 28-29

<sup>4.</sup> ibid, Leviticus XIX 9-10

<sup>5.</sup> A. Cohen, Everyman's Talmud, London: J. M. Dent and Sons Ltd., 1961. p. 230

in the manner of today's live-in domestic servants; aid for widows and orphans; the release of debts every seven years; prompt payment of wages to labourers; and the return of land to the original owners of the owner's family every 50 years.

No virtue was attached to poverty as such; rather the contrary. The Talmud states: "Worse is poverty in a man's 5. house than fifty plagues". Poverty was one of the things which was likely to cause a person to transgress against his conscience and the will of his Maker. A basic and oft-quoted saying goes: "If there is no bread there can be no Torah".

The approach to assisting the poor was also viewed as part of man's larger obligations to his fellowman. He was commanded to practise Gemilut Chasadim, acts of loving kindness. The Hebrew term Tsedakah implies more than charity; it includes the element of doing what is just. This included proper treatment of the foreigner and wayfarer, the duty to visit the sick and the obligation to be considerate toward the dead. Based upon these traditional principles (which are more fully set forth in Appendix A) Jewish communities for many centuries have developed a welfare philosophy and welfare institutions.

4. THE ORIGINS OF JEWISH WELFARE INSTITUTIONS IN CANADA

The Jewish community in Canada, which numbers 280,000, maintains a sizeable group of welfare institutions which include

<sup>6.</sup> ibid, p.260

<sup>7.</sup> Ethics of the Fathers III 17.

<sup>8.</sup> For a listing of major Jewish welfare institutions, see Appendix B attached to this Report.

family and child services, homes for the aged, immigrant aid service, vocational service, educational institutions, free loan societies. All of these institutions have their origin in the value system which the immigrant Jews brought with them to North America. Learning was stressed as was the concept of parnussa, responsible self-support. This value system helped to propel a large proportion of Jewish citizens into the middle-class.

This system manifested itself also in a concern for
the welfare of the members of the extended family. The poor
have always been regarded as part of this extended family. In

"Reconstitution of Community", Kenneth R. Schneider discussing
the ideal of community states, "Community has a potentially
vital bearing upon the generation and transfer of social ideals,
and the eclipse of community in the West may help explain a
growing cynicism about expressions of altruism". The Jewish
community structure of helping resources is therefore an effort
to keep the ideal of community, to fulfill this inter-relationship
of its members, acting as a surrogate when the first degree
familial relationship is non-existent or breaks down.

agencies to bring services to these members whose handicaps
have prevented them from enjoying the opportunities for upward
mobility in an open society. In this category of handicapped
persons are: the widow or the deserted wife with dependent
children, the aged who have depleted their energies and

<sup>9.</sup> Community Development, new series, 15-16, 1966

resources, the emotionally and physically ill, the retarded whose mental capacity does not allow training for earning power, and the recent immigrant who has to be integrated into the community. For an individual or family who has traditionally turned to the resources and concern of his own kin for assistance, it is difficult to bring personal situations to a public authority. The Jewish people of Eastern Europe, of Russia and recently from North Africa were not serfs, but neither were they truly free men, for they were constrained by protocol and persecution. The rights of citizens need interpretation to 10. people who have had little experience with "rights". The development of Jewish Welfare institutions is related to the acceptance of the responsibility to interpret these rights and expand them.

# 5. THE JEWISH POOR TODAY

The Jewish poor in Canada are concentrated in the major metropolitan areas just as the Jewish population itself is predominantly located in the larger urban centers. The subculture of poverty in the Jewish community is the result of having experienced persecution and up-rootedness. In the "pressure cooker" of urban living, these frailties make for dependence and need, which the community tries to overcome.

<sup>10.</sup> In applying for public assistance in Ontario, for example, the procedure is as follows: the establishment of residence; presentation of an inventory of all assets including the following, any equity in a home, automobile, insurance and pensions, cash, bank savings, stocks and bonds, real property (other than home) business assets (including machinery and working tools, if of any value), personal effects; and potential help from friends, relatives and children. Only emergency assistance is available without this disclosure.

## 5. FAMILY NEEDS

One crucial area where we feel rehabilitation is needed towards self-fulfillment and self-sustenance is the family. In our work with people in poverty, we have witnessed a marked deterioration of the authority of parents; children sense and see a lack of ability to cope with society; their attitudes towards their parents are conditioned by this knowledge and feeling. These children develop deep fears and hostility towards, and chronic contempt for their parents as authority figures -- and hence, for the authority of society. Sharp intra-marital strike is the key-note of these family relationships. In the single-parent family, the child develops the same contempt for the chronic dependence of the single parent, especially if that parent is a mother who is not a wage-earner. This attitude becomes extremely disabling and presents serious barriers to healthy family communication, and prevents parents from providing suitable emotional support to their children.

A frequent occurrence in these families is chronic school breakdown at an early level, sometimes as early as the third, fourth or fifth grades. Occasionally, a young adolescent assumes the supportive burden of his family and in doing so sustains life-enduring scars which may result in a refusal to marry, and a fear of having children and being responsible for them. As adults, such persons may spend their years in an over-emphasis on problems of security and the pursuit of material goods. The badly-trained consumer (who incidentally is a contributing factor to inflation) is the person who is constantly attempting to provide safeguards against deprivation by securing material

goods; both he and the compulsive shopper, who has no substantive financial background, is usually in debt beyond his means.

Chronic debt brings alienation from society, and a sense of inadequacy. These people slip away from the main stream of life, and drift into pockets of poverty in the Jewish community. Their condition needs careful attention.

### 7. LESSONS FROM ASSISTING THE POOR

### Family Conservation

In the attempt to mount useful programs to deal effectively with the results of long-standing poverty, Jewish communities have placed their concerns for family conservation in the foreground of their welfare programs. This concept implies programs aimed towards a mobilization of total communal resources and involves a partnership with the family who require service. The approach is essentially rehabilitative aiming at salvaging healthy remnants of family life and building on these remnants for a more constructive family future. For example, a severely deteriorated multiple-problem family may be unable to send its children to school because of poor money management or the lack of sufficient clothing to combat inclement weather.

Our help in this situation is aimed at supporting and educating the parent through budget counselling for the wisest choice in the use of available funds. Once the parent is able to cope with this problem, supplemental financial assistance is supplied by the Jewish community to firmly establish a family budget. This enables the parent to improve the level of parental function. The casework plan involves close association with the

parent (or parents) and children, to help in overcoming the sense of social shame, to enable fuller participation at the school level (in parents associations), and with other social organizations founded to improve living conditions (through tenant or rate-payers' associations). The adolescent in such a family is assisted in improving his image of his parents, and in opening upgraded career choices. Frequently, formal communal rehabilitative programs are by-passed for preferred specific training programs, arranged through private resources, since effective help must be made available when the young person is at a point of readiness, and placement at the end of a long list for rehabilitation would be a deterrent.

Another ingredient in family conservation is the availability of a corps of well-trained volunteers whose personal interests in the family, evidenced in a non-judgmental way, has proved to be a major supportive factor. Volunteers provide cultural and educational exposure, or secure summer job placements for teenagers, and in general are a needed "listening ear" for mothers of large families who face social adjustments.

### Concepts that Work

Experience of many years in Jewish agencies has proved that the following concepts work: family conservation orientation; total resources approach; rehabilitation; social animation techniques; working teams of professionals and volunteers; and consolidation into total plans with participation of clients.

In applying these concepts many Jewish communal resources have been utilized: cash; materials (tools, books); job evaluation; testing; training; sheltered workshops; job-finding; debt-

counselling and consolidation services; small business evaluation resources and interest free loans; free legal aid; meals on wheels and friendly visiting; community camps for children, families and older people; cultural and recreational facilities and programs.

### Deficiencies

In spite of our efforts and in spite of the resources which have been provided, there are still significant deficiencies in our services: the lack of more day-care centres; the lack of a service to provide evening and afternoon baby-sitters; the need for job scholarships for training and apprenticeships (to be able to earn while learning); the need for a constructive program on a continuous basis for a school youth and university young people (the Jewish community of Montreal is one community which is successfully meeting this challenge); the lack of visiting homemaking arrangements beyond the existing community programs which are greatly over-burdened; the need for crafts on wheels for the home-bound; the lack of full and effective participation of users of service in the planning and policy-making agency structures.

Perhaps the greatest lack of all is the failure of full communication. One of the great tasks before us is simply to make our services known, but in the past our society has been reluctant to cooperate fully, for such knowledge will produce demands and these will in turn increase costs. Much more

interpretation and general knowledge are needed.

### 8. CONCERN

In an address encompassing the historical and meaningful Jewish concern for poverty, David Zeff (see Appendix A) related the following:

"In the little 12th Century town of Worms, a Jewish father bequeathed a set of moral, religious and practical guidelines, the 'sum total of his own inheritance from centuries past', and in these guidelines was the principle still being maintained by Jewish institutions of today....

'My son, be considerate of the feelings of a poor man by giving him alms in secret, and on no account before others. For this reason also give him food and drink in your own house -- but do not watch him while he is eating. And do not overwhelm a poor man with words, for God will fight his cause'".

<sup>11.</sup> Richard M. Titmuss states: "Broadly speaking, what they have found is that in relative terms there are more unmet and unexpressed needs among the poor, the badly educated, the old, those living alone and other handicapped groups. Their needs are not expressed, are not met because of ignorance, inertia, fear, difficulties of making contact with the services, failures of co-ordination, and co-operation between services, and for other reasons. These are the people — and there are substantial numbers of them in all populations — who are difficult to reach. Yet they are often the people with the greatest needs". (Committment to Welfare, New York: Pantheon Books, 1968, page 66).

Appendix A

### TRADITIONAL GUIDELINES

Excerpts From "The Jewish Family Agency, the Jewish Federation and the United Fund"

by David Zeff
Senior Consultant in Community Organization,
Council of Jewish Federations and Welfare Funds.

A paper presented at the Annual Meeting of the National Conference of Jewish Communal Service, New York City, May 29, 1939.

Three thousand years of history is our frame of reference, a history saturated with every conceivably humane imperative to mankind, that is as pertinent to our morally and physically polluted society of today, as it has been at any time in the past.

- But, to be a practitioner, or an executive, in a Jewish case work agency means that one must, in himself, represent continuity with the past. Sidney Vincent said it very well: "You cannot understand Jewish life and certainly not the concept of community, unless you anchor it in history".
- It cannot be the purpose of this paper, most of which has already been recited, to dwell at any length on the historical roots of the Jewish communal view of social welfare responsibilities. Others have done it well; still others will continue this examination. But, we can at least remind ourselves of the experience and the vision which is uniquely ours -- where we began and where we have been going.
  - In the 10th Century BC, our origins as Jewish communal workers found their earliest expression in the tiny town of Gilead, where the Israelites viewed God as the Judge of all the earth, and his earthly King was the dispenser of justice to His flock.
  - Those of you who visited the reproduced model of the ancient Canaanite town of Megiddo, will remember that this was where the Israelites, in the words of the BOOK OF JUDGES "rehearsed the righteous acts of the Lord". And "the righteous acts", acts of the highest beneficence, grew and illuminated our way in the centuries that were to follow. In his brilliant, comprehensive history of the Jewish community, 2 Dr. Salo W. Baron provides us with some rich examples.:

Salo W. Baron, <u>The Jewish Community</u> Philadelphia: The <u>Jewish Publication Society</u>, 1945, Vol. II, Chapter XVI, pp 290-350.

- The Talmud specifically forbids investigation of persons begging for bread. (For Jews, the means test has been repugnant since the days of Babylon).
- In 14th Century France, it was compulsory that the poor must serve on Boards which provides for the impoverished. (A decision-making role for the poor -- maximum feasible participation).
- In 17th Century Poland, all Jewish communities had to share in the care of Jewish boys and girls -- often from distant places -- who became orphaned. This included their permanent retention in private homes, their being clothed and taught a trade, or trained for a scholarly career.
- In 15th Century Venice, the Jewish free loan was maintained exclusively for needy Christians -- a view of Jewish community responsibility to the urban needs of that day.
- In the Northern European Jewish communities of the medieval period, amidst the most terrifying barbarities, acts of loving kindness included visits by friends and neighbors to the sick, and those who could not comply had to pay for a substitute. (How really innovative, therefore, is friendly visiting?)
- In the 17th Century, the Lithuanian Jewish Council ordered all homes, where the surviving parent had died, to be sealed off immediately and no one permitted to enter until responsible authorities could make an inventory of all possessions. Thereafter, in behalf of the surviving children, the money would be wisely invested to be returned upon their reaching adulthood.
- These, and a myriad of other examples of <a href="Chesed">Chesed</a>, of the deepest compassion, constitute our framework of values. Techniques are transient. For one generation, it is passivity; for another, intervention -- but <a href="Gemilut Chasodim">Gemilut Chasodim</a> is eternal, the precious how. We read in the Book of Psalms, "Through loving kindness will the world be rebuilt".
- The central emphasis of Judaism has always been on the act -- the manner in which man acts beneficently. The doing itself is what is important. The Bible speaks of Abraham: "For I have known him, that he may instruct his children and his household and his household that came after him, to keep the way of the Lord by doing what is just and right".
- Its more modern and sophisticated interpretation is from Arthur A. Cohen, who says it still another way: "The task of Judaism is to do those deeds that extend the moral freedom and sovereignty of man".
- Arthur A. Cohen, "Rethinking Judaism", The New Republic, Vol 160, No. 11, March 15, 1969, pp. 28 - 31.

- It is in the vision of this greatness, in the sublimity of this view, and in the choseness of the Jewish case work field, that financial support from the United Funds can be viewed as important and, yet, irrelevant.
- But, still too feeble, is that which binds us to our past. That is why the functions of our agencies must be more broadly conceived -- not only for our own self-knowledge, but for the quality of Jewish life itself. If Gemilut Chesed, as our sages have said, is equal to Torah and Tefillah -- to learning and to prayer -- who but we can teach it; who but we can communicate it to eager young people searching for identity and purpose; who but we who know the real meaning of human despair and human renewal. The bonds which we seek, therefore, span thousands of generations and a single generation.
- In the 12th Century German town of Worms, there lived a Jewish father who bequeathed to his Jewish son, not stocks nor bonds nor real estate, but a set of moral, religious and practical guidelines, the sum total of his own inheritance from centuries past (and how very different from Polonius to Laertes, or Lord Chesterton to his son).\*
  - "My son! Give glory to God and show him your thanks, for he made you and brought you into the world. Be careful, therefore, to keep your body clean and free from pollution, for it is the resting place of your soul.
  - "My son! Make a point of visiting a sick man, for thus his suffering is eased. But do not fatigue him by staying too long, for his illness is enough for him to bear.
  - "My son! Help in the burial of the dead, and after the funeral comfort the mourners so far as is in your power.
  - "My son! Be considerate of the feelings of a poor man by giving him alms in secret, and on no account before others. For this reason also give him food and drink in your own house -- but do not watch him while he is eating. And do not overwhelm a poor man with words, for God will fight his cause...

<sup>\*</sup>Excerpted to highlight the matters under discussion.

- "My son! Eat grass rather than beg from others. If you have to ask for help, take only what you need desperately...
- "My son! You must have children, to train in the study of the Torah, for through them you will have merit to enjoy eternal life ...
- "My son! I command you to love your wife, and if you value my precept show her honor with all your might. Devote your mind, too, to your children, be gentle with them as I was gentle with you, and strive to teach them as I taught you; and if they should seem a little unwell do not neglect them, but seek medical advice at once".
- This, in so many rich and quiet ways, Rabbi Eliezer of Worms bequeaths to us today.

### Appendix B

The Major Social, Welfare Agencies under Jewish auspices in Canada are as follows:

### ALBERTA

### Calgary

Jewish Centre, 18th Avenue and Centre Street South.

Jewish Family Service, 18th Avenue and Centre Street South.

### Edmonton

Jewish Centre, 305 Mercantile Building.

Jewish Family Services, 216 McLeod Building, 10136 - 100 Street.

### BRITISH COLUMBIA

### Vancouver

Louis Brier Home and Hospital, 1055 West 41st Avenue. Jewish Centre, 950 West 41st Street. Jewish Family Service, 950 West 41st Street.

### MANITOBA

### Winnipeg

Jewish Child and Family Service, 304-956 Main Street. Free Burial Service, Jewish Child and Family Service, 304-956 Main Street.

The Sharon Home, 146 Magnus Avenue. YMHA, 370 Hargrave Street.

#### ONTARIO

### Hamilton

Jewish Centre, 57 Delaware Avenue.
Jewish Social Services, 57 Delaware Avenue.

#### London

Jewish Centre, 532 Huron Street.

### Ottawa

Hillel Lodge, 125 Wurtemburg Street. Jewish Centre, 151 Chapel Street.

### Toronto

Baycrest Centre for Geriatric Care, 3560 Bathurst Street. Hebrew Re-Establishment Services, 152 Beverley Street. Jewish Camp Council, 750 Spadina Avenue. Jewish Family and Child Service, 150 Beverley Street, Free Burial Service, Jewish Family and Child Service, 150 Beverley Street.

Jewish Immigrant Aid Services, 152 Beverley Street. Jewish Vocational Services, 74 Tycos Drive. New Mount Sinai Hospital, 550 University Avenue. YMHA, 4588 Bathurst Street, (Northern Branch), 750 Spadina Avenue.

### Windsor

Jewish Centre, 1641 Ouellette Avenue. Jewish Family Service, 1641 Ouellette Avenue.

### QUEBEC

### Montreal

Baron de Hirsch Institute and Jewish Child Welfare Bureau, 3600 Van Horne Avenue.

Free Burial Service, Baron de Hirsch Institute, 3600 Van Horne Avenue.

Hebrew Free Loan Association, 5775 Victoria Avenue.
Herzl Health Centre, 5780 Decelles Avenue.
Jewish Convalescent Hospital, 3205 Notre Dame Blvd.,
Chomedey, Laval.

Jewish General Hospital, 3755 Cote St. Catherine Road.
Jewish Hospital of Hope, 7745 Sherbrooke Street East.
Jewish Immigrant Aid Services, 5780 Decelles Avenue.
Jewish Vocational Service Sheltered Workshop, 5000 Buchan.
Maimonides Hospital and Home for the Aged, 5795 Caldwell Avenue.
Meals-on-Wheels (Sponsored by the National Council of Jewish
Women, Montreal Section) 5775 Victoria Avenue.

The Miriam Home for the Exceptional, 5165 Queen Mary Road. Mount Sinai Hospital, P.O. Box 1000, Ste. Agathe des Monts. YMHA, 5500 Westbury Avenue.

### APPENDIX "D"

Submission to:

THE SPECIAL SENATE COMMITTED ON POVERTY

by

THE CANADIAN MATIONAL INSTITUTE FOR THE BLIND 1929 Bayview Ave., Toronto 350, Ont.

Tel: 465-6644

## Summary of Recommendations Brief on Poverty of the Blind of Canada

- That support be granted for research into new fields of employment and related training requirements for the blind, especially in technical areas.
- 2. That equal incentive and formal recognition, as well as removal of academic barriers, be given those blind persons whose interests and aptitudes best suit them for non-academic technical goals.
- 3. That education resources be enlisted in the fight against poverty through expanding curricula to include practical courses for young people in effective 1\$ving.
- 4. That the need for increased emphasis on medical consultation and diet supplements in school programs be investigated.
- 5. That families on marginal income be given assistance to pay for medical insurance, medication, glasses and dental care.
- 6. That evening medical clinics be set up.
- 7. That more Day Care facilities be set up for infants and young children.
- 8. That subsidized housing be expanded to reduce the long waiting list for shelter.

- 9. That small subsidized family housing units be scattered throughout the community.
- 10. That funds be made available to CNIB to provide additional workshop facilities.
- 11. That CNIB should be assisted in setting up an on-going intensive advertising program to educate employers as to the abilities of the blind.

Submission to:

THE SPECIAL SENATE CONTITUE ON POVERTY

Ву

THE CANADIAN NATIONAL INSTITUTE FOR THE BLIND 1929 Bayview ave., Toronto 350, Ont.

Tel: 465-8644

The Canadian National Institute for the Blind, operating under a Federal Charter, is a multi-service agency serving more than 27,000 blind people in Canada. The purposes are to ameliorate the condition of the blind and to prevent blindness.

### Introduction

- is and will have described the restrictions and hardships continuously experienced by poor people. Therefore, we feel it is not necessary to reiterate the detrimental effects caused by the lack of essential goods, services and means. Rather, we believe it is our responsibility to explain that there are many poor people who are blind, and for these poor people the hardships and restrictions of poverty are accentuated by the limitations of blindness.
- 2. The Canadian National Institute for the Blind, through its rehabilitation program, endeavours to make available to the blind person the opportunities and the services that will make him able, as far as possible, to find purpose and satisfaction in his day-to-day living. Since blindness occurs in

all age categories (see accompanying age classification statistics), CNIB staff is in close touch with families where there is a blind child, with families where a father or mother is blind, with households where the husband and wife are both blind, with blind individuals many of whom are elderly - who are alone and without family support. In a very large number of these situations the blind person, or the family that has a blind member, is prevented from achieving the respect and status necessary for human integrity because, owing to a variety of circumstances, the resources of health, education, and income are not available. We hold that every Canadian, including the Canadian who is blind, has a right to the resources which he can use to help him fulfill the role of a mature and participating member of society.

- RESULTS THEM INCOMES FROM THATEVER SOURCE IS
  INSUFFICIENT TO PURCHASE THE GOODS, SERVICES AND
  ALENITIES THICK THE COMMUNITY CURRENTLY RECOGNIZES
  AS EXING BASIC TO A DECEME STANDARD OF LIVING. Where
  a severe handicap such as blindness is involved
  with its extra costs, and its restrictions on
  earning power, the insufficiency gap will be
  widened. There is a widespread belief that
  government allowances are paid to all blind people.
  This is not so. Only those blind persons in
  destitute circumstances are eligible to receive any
  monetary assistance.
- 4. In the following paragraphs we set out for consideration by the Special Senate Committee, areas of deprivation which inhibit the social development and the economic independence of a very large number of the 27,000 blind persons registered with /The

The Canadian National Institute for the Blind.

Education and Training

- in technology, is demanding greater preparation for work in terms of higher qualifications and better skills than ever before. The handicapped as well as the non-handicapped population is affected and this is especially true of blind people who must compete in work environments where there is an ever-increasing emphasis on visual skills.
  - 6. A general academic education alone, even though it may be at the university level, is rarely sufficient to assure blind people of employment. Specific training for specific career toals is becoming increasingly essential.
  - 7. There are still relatively few opportunities for blind people in the technical areas of employment. Their choice, therefore, is generally between semi-professional and professional positions on the one hand, for which higher academic training is required, or unskilled jobs on the other. As a result, those blind people who are not qualified to work at the higher levels, but who would normally seek employment in technical fields, too often find themselves forced to function below their capabilities and to accept rates of pay which keep them in the lower income brackets. Research into employment opportunities and training requirements in these areas is very necessary.
  - E. As far as is known, there has been no formal /research

research into the incidence of school drop-outs among blind children. However, knowledge based on experience would indicate that such children remain longer in school that their sighted counterparts. Among the factors contributing to this trend may be cited: the fact that education in such cases, certainly where special schools for the blind are concerned, has a rehabilitation aspect; the fact that special CNIB and school counselling encourages students to develop their maximum potential; and the fact that employment opportunities are more limited.

- 9. It is estimated that the majority of blind people in the labour force lost their sight in adult life or after leaving school. A high percentage of these are below the high school completion level and are much more restricted in their choice of employment as blind people than if they were still sighted. While reasonably adequate, although not uniform, upgrading and retraining resources are available to them through public and private channels across Canada, many cannot be raised above the unskilled category and find themselves with less earning power than they formerly enjoyed.
- 10. Regarded in its broadest sense, education can and should be an important tool in any anti-poverty program for handicapped and non-handicapped alike.

  Apart from encouraging the highest academic achievement of which each individual is capable, it should provide equal incentive and recognition for

/those

those whose interests and aptitudes lie in non-academic, technical areas. Too often such persons have a sense of failure or, at best, a feeling of second-class status as a result of trying unsuccessfully to meet an academic requirement which may in fact be unnecessary to success in the field for which they are best suited.

- 11. Education, too, presents the means for fostering new awareness, new concepts, and new attitudes in disadvantaged young people designed to assist them to discover ways of correcting the basic problems in their environment. Such poverty-prevention education would call for including in curricula appropriate material on family planning, family budgeting, nutrition and other practical aspects of the living function. Current efforts in this field are mainly directed to adults whose capacity to learn and change may be seriously impeded by their constant struggle against the demoralizing effects of the poverty in which they are already immersed. For them the assistance may very well be arriving too late for real benefit but a prevention education program for young people, incorporated into the regular education process, could yield rich dividends in the future.
- 12. Some medical opinion holds that mental development and achievement potential can be impaired by the highbulk, low-nutrition diets on which low-income families frequently subsist. This suggests that, particularly for the very young, school programs should include increased emphasis on medical consultation and the provision of diet supplements where necessary.

/Health Care

### Health Care

- 13. When a family goes off welfare and is on marginal income, the take-home pay can be less than received on welfare. As an incentive to go off welfare, we would recommend that assistance be given with medical insurance, medication, glasses and dental care, to families below a certain income.
- 14. Medical attention for these families on marginal income can be a problem. They risk loss of job if absences from work are necessary to attend clinics. It is recommended, therefore, that evening clinic facilities should be made available.
- 15. Poor nutrition in low income families compounds health problems. Increased education and counselling in the schools and in classes for mothers would be helpful to encourage wise spending of the money they do have.

### Child Care

16. In their struggle to fight against poverty, mothers of young children often have to go out and work. Adequate day care facilities should, therefore, be provided for every infant and young child of such working mothers.

### Housing

17. A high percentage of the poverty-stricken group among the blind live in subsidized housing. In our major cities such housing is inadequate to meet the needs. Usually a long waiting list exists which,

in some cases, prevents a new applicant from obtaining housing for at least five months. We recommend that subsidized housing be expanded to reduce delays. The removal of worry about permanent housing from the blind person will advance his adjustment to blindness considerably.

18. We further recommend that small subsidized family housing units be scattered throughout the community.

High rise buildings covering a small area tend to draw all the subsidized population into one restricted area and contribute to the ghetto-type welfare dwelling with its inherent problems.

### Employment

- 19. Nost blind persons encounter considerable difficulty in securing suitable employment and many must accept under-employment in order to work.

  There are many reasons for this situation, however two of the main causes are: a lack of understanding on the part of employers and a limited number of occupations which may be open to blind persons.
- 20. At the present time, CNIB is carrying out a public relations program in an effort to educate employers as to the abilities of the blind. The agency is also endeavouring to research new job opportunities for blind persons. Both these efforts, however, are seriously limited owing to insufficient funds.
- 21. Another area of employment and training of blind persons which should be expanded is the sheltered workshop. Such facilities are invaluable

in the long-term training of blind persons prior to placement in competitive industry. They are also necessary to supply long-term employment for those who may, due to multiple handicaps, be unemployable in the competitive labour market. These workshops are costly to operate owing to the high staff to client ratio required to provide intensive training and supervision.

- 22. In order to overcome some of these difficulties, we would suggest that funds be made available to the Agency (a) to provide additional workshop facilities, (b) to make it possible to have an intensive on-going advertising program to educate employers as to the abilities of the blind and (c) to carry out research and feasibility studies relating to employment for the blind.
- 23. At the present time, limited funds (both capital and operating grants) are being made available for workshops, and some funds are available for research projects. We feel that this assistance should not only be increased substantially, but should be more readily available.

### Conclusion

24. From the above it is apparent that poverty is the broad base from which springs a towering superstructure of social ills and deprivations. Only by a radical, comprehensive and committed attack upon this major social evil can we hope to offer Canadians lives of personal and social involvement and fulfillment.

Respectfully submitted,

A.T. Magull

Imaging Director
The Canadian National Institute for the Blim

(supported by a sub-committee representing all principal CMIB Departments involved with services to blind and visually handicapped Canadians).

## THE CANADIAN NATIONAL INSTITUTE FOR THE BLIND AGE CLASSIFICATION\*BLIND PERSONS IN CANADA

December 31, 1969

Registered	-	Hales	13751
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Females	13433	27184

Newfoundland and Labrador		895
Nova Scotia		1412
New Brunswick		1209
Prince Edward Island		143
Quebec		7076
Ontario		8643
Manitoba		1474
Saskatchewan		1363
Alberta		1792
British Columbia - Yukon		3102
Northwest Territories		75
81 years and over	5323	
65 - 80 years	7674	
50 - 64 years	5366	
40 - 49 years	2565	
30 - 39 years	1818	
20 - 29 years	1709	
16 - 19 years	846	
6- 15 years	1360	
5 years and under	303	
Classified as follows:		
Fil or Light Perception	5311	
Guiding Sight	21873	
Workmen's Compensation	267	
War Blinded	296	

### APPENDIX "E"

### A BRIEF TO THE SENATE COMMITTEE ON POVERTY

Submitted by: The Men's Social Club

The Society for Crippled Children and Adults of Manitoba

April 30th, 1970

Among the many causes of poverty, one can be sharply delineated namely that due to a citizen's inability to become gainfully employed because of physical disability. According to the Canada Sickness Survey (1950-51) 7.1% of the population are to a degree permanently handicapped physically, and that 3.1% are disabled to an extent that necessitates confinement to a bed or wheelchair. It is on behalf of such people that we - the Men's Social Club - present this brief.

### Description of Presenting Organization

Our club was started by the Society for Crippled Children and Adults of Manitoba and consists of handicapped men between thirty and sixty-five years of age. Seventy-five per cent of us are wheelchair bound. Although we are not authorized to speak for more than our own group, we believe we can and do because a great variety of disabilities is to be found among our members. Our problems are typical of those of handicapped people everywhere.

The ideal solution to our problem would be a job that would enable us to become financially independent. Not only would we benefit from a greater sense of security and a new image of ourselves, but the community at large benefits greatly from every potential welfare recipient who becomes a productive member of society.

When one examines the budget of a person in a wheelchair who is gainfully employed one finds he has unusual expenses an ordinary person does not have. One is the matter of transportation. He cannot take public transit but has to use a taxi everywhere he goes. Assuming 20 working days a month, a fare of \$1.00 will be \$40.00. When he wants a baircut there will likely be taxi fare in addition to \$2.25 for the barber.

In winter time he will have to get someone to shovel snow so he can get out to the road. A wheelchair is no good in a snowbank, and no taxi driver or even Society for Crippled Children and Adult bus driver expects to shovel snow. There are other expenses we could mention, like wheelchair repairs and drugs, some of us need from time to time. A paraplegic will find it quite a struggle to make ends meet on less than about \$250.00 a month.

The above applies to people who have the talent and persistence to succeed. Many of us find however, that developing a saleableskill at this level a seemingly impossible task.

As far as the Men's Social Club is concerned, opportunities for earning a little money are very limited. Most of us are almost entirely dependent on a pension of sort. Existing provisions for so-called "Unemployable Handicapped Persons" vary greatly both as regards to eligibility requirements and income benefits. The five types of income are:

- 1) Disability Allowance provided by federal and provincial governments.
- 2) War Veteran's Allowance (federal).
- 3) Provincial Welfare.
- 4) Workmen's Compensation (provincial).
- 5) Private Pension (insurance).

As an example of the discrepancies between different types of pension schemes, we find that while the income received under Workmen's Compensation is based on earning level prior to the accident; that of Disability Pension through the Canadian Pension Commission is based on the percentage of war injury incurred.

The Disability Allowance is a fixed amount (\$75.00 per month) which can be supplemented to a small extent by the provincial welfare programs. The provincial welfare allowance tries to be flexible in terms of need, but the welfare dollar is so short that we find ourselves living at the bare minimum of existence.

All forms of welfare programs have some type of allowable income clause which permits the recipient to earn a limited amount above the welfare provision. However, the amount set makes it difficult, because there are few jobs available that pay only \$20.00 or \$30.00 a month for those who receive only the Disability Allowance. To accept a position paying more than this could mean a delay in being reinstated on the program.

Under Disability Allowance you are allowed to earn \$360.00 per year, which added to your pension makes the total income allowable \$1260.

The Economic Council of Canada in its report considered those victimized by poverty to be single persons with incomes of less than \$1500 a year, families of 2 with less than \$2500, and families of 3, 4 and 5 or more with incomes of less than \$3000, 3500 and 4000 respectively.

The income ceiling (for a single person) is therefore, \$240 under what the Council considers the poverty level. The income ceiling for a married couple is comparable.

We do, of course, expect to "earn back" our pension if we have any sort of a decent job. However, we find it very disheartening, that, in addition to our other afflictions, we should be made to hand over to the government every penny we earn at this level.

In the average year Canadians spend:

\$500 Million on travel abroad. \$1 Billion on alcohol. \$400 Million on the race tracks. \$200 Million on candy. \$30 Million on dog and cat food.

Surely, by comparison, our plea for a little more generous treatment is a very modest request.

### Education

Many handicapped people would be better equipped to play a more active role if the gaps in their formal education were filled. Successful rehabilitation almost always requires further schooling and training to obtain the special

kills needed to compete successfully in the employment market. Those handicapped people who have been to University have not experienced too much difficulty in getting employment. To those who could not qualify for University training, schools such as the Manitoba Institute of Technology have been a tremendous help.

To answer the question as to how successful the programs have been for these patients we would like to quote from the Sanatorium Board of Manitoba News Bulletin, April 1965.

"In a review of 309 cases who have received substantial rehabilitation services in Manitoba over the last twenty years, the Canadian Paraplegic Association has come up with these interesting facts. Excluding those still under treatment or in training says the association, 142 out of 252 or 56%, have found employment in a great range of trades and professions. The recerd for paraplegics is 55%, for quadriplegics 37% and for polio cases, with problems and paralysis related to paraplegia, 78%. Almost all of those who completed vocational training courses, the association noted, are now employed.

Of the 309 cases, 129 own their own homes, 26 others live in rented homes or suites, 20 live in boarding houses, 53 live with their families and only 14 are in institutions.

A total of 258 are either totally confined to a wheelchair, or are performing most of their activities from a wheelchair. The remainder are ambulant in varying degrees. More than half are married. And a substantial number drive their own cars, which is considered a significant factor in getting the Paraplegic out into the world again and back into remunerative employment."

The above speaks for itself but here we would like to put in a special plea for those who strongly desire and would get a great sense of achievement from further education. Their physical condition may be such that gainful employment is unlikely, and because of this, assistance for this purpose has been refused.

We would like a little reconsideration here. Many women have gone through University and then got married. Their tuition fees have paid for only a small part of the cost of their education. This investment of money has undoubtedly contributed a great deal to society in many ways, both directly as citizens and indirectly through the influence they have on their families. We could forsee a similar benefit being derived for society if disabled persons were to be given the opportunity of furthering their education. This would be in addition to the enrichment which this would bring to their own lives.

### Medical Research

Obviously the problem of disability-induced poverty would be solved if the disability disease could be eliminated. Poliomyelitis has already been conquered. Now there's a need for more research into other crippling diseases. We would recommend the establishment of research centres for the study of crippling diseases such as those for cancer set up by the National Cancer Institute of Canada.

There are still a number of new cases of polio appearing however, and we would like to point out that miracle drugs and vaccines are no good if they are not used.

### Housing

There is a serious shortage of accommodation in Winnipeg suitable for disabled people. If you are in a wheelchair, stairs are an impossible barrier. So if you would like board and room in a private home, both the bedroom and bathroom must be on the ground floor. Also there are almost always steps at front and back doors, so that the installation of a ramp or elevator is required. Few people care for the change in appearance this causes in their homes. All of this, together with the uncertainty of what it would be like having a crippled person living with you, severely restricts suitable accommodation from this source.

The provision of ramps, wheelchair lifts and other modifications has assisted those who own their own homes, but landlords of commercial establishments are reluctant to allow such alterations.

Wheelchairs tend to track in mud and snow, mar doorways and furniture and require more room to manoeuvre. Persons in wheelchairs are not considered desirable tenants. Those of us who are gainfully employed experience great difficulty in finding suitable accommodation within our income range.

Residential requirements for the handicapped vary greatly, and should be sufficiently wide in scope to meet the needs of those who can look after all aspects of self-care to those who need hospital care. They should include the following:

- (a) Extended Care Hospitals for those whose medical complications require on-going treatment in a hospital setting. However, those who no longer need the intensive care facilities should be moved to nursing homes to make room for those who do.
- (b) Nursing Home Care -- A number of our more severely handicapped people have been placed in nursing homes for the aged. This has the advantage that the services of an orderly are usually available when needed, but younger people are not happy with the senile people found in such places and find the atmosphere pretty bleak. Any extension to places like Hospital Tache or Holy Family Home could be put to good use, however, a new nursing home for younger people closer to recreational facilities such as those at the Rehabilitation Hospital would be very much appreciated. The effort to make more room in hospital should not result in the transfer of handicapped or elderly ill to sub-standard, small scale institutions regardless of client need. If a patient requires "heavy" nursing care he should be covered by the Manitoba Hospital Plan regardless of whether in hospital or nursing home. This failure to provide adequate financial resources creates difficulties for some nursing homes in attracting qualified nursing personnel. Others, mainly commercial nursing homes have even greater difficulties due to makeshift, unprofessional standards. The patients in these places are there because they have no place else to go.

A patient's needs vary from time to time. It can be intensive care, active treatment, or nursing home care.

There should be a free flow of patients to the institution that can provide the most appropriate type of care.

(c) <u>Hostel Accommodation</u> - The Lion's Manor for the elderly (located at the corner of Sherbrook and Portage) is an example of the kind of accommodation some of us would like to see for those who are reasonably capable of looking after all aspects of self care.

This hostel has been successful because of the day centre, run by the Age and Opportunity Centre, as well as a resident's club. The day centre provides arts and craft sessions, music, pottery, discussion groups, organized trips and other activities.

It not only provides this program for those at Lion's Manor who want to participate, but also opens the door to people from the outside. Slightly more than half the membership is restricted to those from the outside.

The Clubs also provide many of the little services so necessary for the elderly and frail. There is a buddy system to check on fellow residents in case of sickness or need. There is a house council to run their own affairs and the canteen. It is in effect a tenants association concerned with the welfare of residents.

We have used the example of the Lion's Manor to illustrate the requirements for successful hostel accommodation for the handicapped. To lodge a large number of people like us in one building, without a program such as above would be to create dissatisfaction and difficulty.

(d) There is an urgent need for low rental apartments by those whose income has been decreased and expenses has been increased by physical disability. Even quite expensive suites have a vacancy rate of only  $1\frac{1}{2}\%$ , which means almost all are occupied and that many of us must accept sub-standard accommodation and pay high prices for it.

We would suggest:

- (1) The provision of financial incentives on a joint Federal and Provincial basis which would encourage builders and contractors to include units with facilities for the physically handicapped within their apartment blocks and building projects.
- (2) Municipal regulations which would ensure that a small percentage of units with facilities for the disabled are incorporated in the construction of public housing projects.

The two above suggestions should help ensure that those of us who are gainfully employed have a place to stay reasonably close to our place of employment. It should also help ensure that no one would have to refuse a job for which he was competent and qualified simply because he was unable to obtain suitable accommodation. The balance of the units would be quickly occupied by married couples or others who would prefer to live independently away from disabled group involvement. We would recommend nothing smaller than one bedroom suites. Bachelor suites in which the bed is folded up in the daytime are not popular with old age pensioners and are quite unsuitable for one of us.

(e) Low cost houses are important especially for families with children. This will cost some money, but very little more than for the able-bodied poor. In fact, we would hope for priority, as they can get along with accommodation we cannot.

As a challenge to our priorities we would like to quote from a booklet entitled "This Too is Canada" published by the Special Planning Secretariat of the Privy Council Office in Ottawa. It begins with this statement:

In 1965 one building in Montreal cost eighty million dollars; another in Toronto cost sixty million. In 1965 spending for public housing cost forty-five million dollars - just under a third of the cost of these two buildings.

We have no accurate statistics of the housing needs of the disabled. One survey showed one half of paraplegics live in inadequate housing, but a survey cannot forecast long range needs. There are many young people, in particular those with cerebral palsy, living with their families who are very concerned for the

future when their parents can no longer give them the care they need. Many people with multiple sclerosis can manage for the present. However, the condition can deteriorate to where special arrangements have to be made.

Housing for the handicapped is an <u>urgent</u> need and may become more so in the future.

### Architectural Barriers

Another matter of concern for us are public buildings that are not accessible to handicapped persons. The Norquay Building is an example of a place some of us have occasion to go but don't because of the difficulty of getting in. Government regulations forbid people in the public service to help a person in a wheelchair even if the obstacle is only a step or two. The reason apparently being the fear of being sued in case of an accident. Some places have an arrangement that is a poor second best, for instance, at River Heights Public Library they do have a portable ramp, but going there involves phoning and asking the girls to lug it up from the basement and putting it in place. After you leave they have to carry it back down again.

Making public buildings accessible to handicapped persons is not expensive if included in the original plan of the building. The Centennial Concert Hall is an example of this. Facilities here are very convenient for a person in a wheelchair. I think the elderly and not so spry prefer the ramps to the stairs. At the end of the concert, and there is a rush to leave, the ramps are just as crowded as the stairs, proving that the space occupied by the ramp in no way detracted from the capacity of the building to handle traffic.

The most common causes of inaccessibility are due to a failure to think of the handicapped at the design and planning stage. They include:

Steps and curbs.
Inaccessible elevators.
Steep narrow walks, gratings on walkways.
Lack of parking spaces reserved for the handicapped and designed for their use.
Doors that are too narrow, revolve or are hard to opne.
Lack of accommodation for wheelchairs in theatres, stadiums and other public gathering places.

Too narrow aisles in cafetorias, restaurants, libraries, auditoriums, etc. Too small public toilet stalls and telephone booths. Too high telephones, drinking fountains, vending machines, light switches and fire alarm.

Though an architect may be familiar with the needs of the handicapped, this will not do any good if his client dismisses these features. Therefore, it pointed out in a public education program that a fresh reservoir of competent employees can sometimes be tapped or new customers by adding just a few accessibility features such as:

A ground level main entrance or ramp.
Doors that open automatically.
Raised letters on doors and elevators so that the blind can read them.
Danger signals equipped with light as well as sound so that the deaf can be warned.
An open booth with a low placed telephone.
One or more wide toilet stalls with grab rails.
Non-slip flooring.

Many improvements made to accommodate the handicapped also add to the safety and convenience of the able-bodied.

Any building can be made accessible to the handicapped with little or no loss of space and without detracting from its usefulness for the ablebodied.

Handicapped children should not be put in special schools if all they need is some changes to make their regular school accessible.

Over the past few years a good deal of study and research, as regards to technical considerations has been done, and detailed specifications have been developed. The National Building Code of Canada, Supplement 7, Building Standards for the Handicappped, 1965, lists the basic requirements for all public buildings. Chapter six covers minimum requirements for residential buildings. A detailed check list for architects is also being worked out and the provisions are such so as not to make the units unsuitable for non-disabled tenants.

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Third Session—Twenty-eighth Parliament
1970

### THE SENATE OF CANADA

PROCEEDINGS OF THE SPECIAL SENATE COMMITTEE ON

# POVERTY

The Honourable DAVID A. CROLL, Chairman

No. 4

THURSDAY, OCTOBER 22, 1970

### MEMBERS OF THE SPECIAL SENATE COMMITTEE ON POVERTY

The Honourable David A. Croll, Chairman

The Honourable Senators:

Bélisle Hastings
Carter Inman
Connolly (Halifax North) Lefrançois

Cook MacDonald (Queens)

Croll McGrand
Eudes Pearson
Everett Quart
Fergusson Roebuck
Fournier (Madawaska- Sparrow

Restigouche,
Deputy Chairman)
(Quorum 6)

### Orders of Reference

Extract from the Minutes of the Proceedings of the Senate, Thursday, October 8, 1970:

With leave of the Senate,

The Honourable Senator Croll moved, seconded by the Honourable Senator Fergusson:

That a Special Committee of the Senate be appointed to investigate and report upon all aspects of poverty in Canada, whether urban, rural, regional or otherwise, to define and elucidate the problem of poverty in Canada, and to recommend appropriate action to ensure the establishment of a more effective structure of remedial measures:

That the Committee have power to engage the services of such counsel, staff and technical advisors as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, and to report from time to time;

That the Committee be authorized to print such papers and evidence from day to day as may be ordered by the Committee, to adjourn from place to place, and notwithstanding Rule 76 (4), to sit during sittings and adjournments of the Senate;

That the evidence taken on the subject during the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Bélisle, Carter, Connolly (Halifax North), Cook, Croll, Eudes, Everett, Fergusson, Fournier (Madawaska-Restigouche), Hastings, Inman, Lefrançois, MacDonald (Queens), McGrand, Pearson, Quart, Roebuck and Sparrow.

After debate, and—
The question being put on the motion, it was—
Resolved in the affirmative.

ROBERT FORTIER, Clerk of the Senate.

## Minutes of Proceedings

Thursday, October 22, 1970

Pursuant to adjournment and notice the Special Senate Committee on Poverty met this day at 9.15 a.m.

Present: The Honourable Senator: Croll (Chairman), Carter, Connolly (Halifax North), Fergusson, Fournier (Madawaska-Restigouche), Inman, Lefrançois, McGrand, Pearson and Quart. (10)

In attendance: Mr. Frederick J. Joyce, Director.

The following witnesses were heard:

Corporation des Travailleurs Sociaux de la Province de Quebec

(Corporation of Professional Social Workers of the Province of Quebec):

Mrs. Suzanne Blais-Grenier, Secretary-General; Mr. Raymond Doyle, Director;

Sister Rachel Vinet, Brief Coordinator and Director;

Mr. Réginald Grenier, Director;

Mr. Richard Millaire, Audio-Visual Director.

Dawson College, Montreal:

Mr. Glay Sperling, Head of the Communications Department.

The brief presented by the Corporation des Travailleurs Sociaux de la Province de Québec and that by the Dawson College of Montreal were ordered to be printed as Appendices "A" and "B" respectively to these proceedings.

At 12.05 p.m. the Committee adjourned until Tuesday, October 27, 1970, at 9.30 a.m.

ATTEST:

Georges-A. Coderre, Clerk of the Committee.

# The Special Senate Committee on Poverty

# Evidence

Ottawa, October 22, 1970.

[Text]

The Special Senate Committee on Poverty met this day at 9 a.m.

Senator Edgar Fournier ( $Deputy\ Chairman$ ) in the Chair.

[Translation]

The Co-Chairman: Senator Croll, Members of the Senate, ladies and gentlemen, first let me apologize for the delay. Just a little misunderstanding that happens to the best of families with the best intentions in the world.

This morning we have the pleasure of having a group from Quebec with us, the Corporation des travailleurs sociaux professionnels de la province de Québec, (Corporation of Professional Social Workers for the Province of Quebec). We wish to welcome you, ladies and gentlemen, to our Committee and, without further ado, we shall begin.

Before you, you have Senator Croll, who is Chairman of the Committee, and Senators Inman, Fergusson, Pear-

son and McGrand.

You have no doubt read the brief which was presented to us: les pauvres de 1980 ou Nos futurs assistés sociaux, (The Poor in 1980, or Our Future Welfare Recipients). This is probably one of the most complicated memorandums that we have received to date. An enormous amount of work in fact went into the preparation of this memorandum, and there are a number of items which shall certainly be of interest to us.

Therefore, I would like to ask, as usual, the head of the delegation. Mrs. Grenier, to introduce her associates.

Mrs. Suzanne Blais-Grenier, Secretary-General, Corporation des Travailleurs Sociaux Professionnels de la Province de Québec: If you will allow me, Senator, I am not the delegation head. Mr. Raymond Doyle is representing the head of our corporation, Miss Micheline Massé, here. Mr. Doyle is acting in terms of his role as representative. And, as Secretary-General of the Corporation, I am here to do the reading. Allow me to introduce the members who accompanied us, volunteers of the Corporation. Moreover, I would like to stress that the memorandum being presented to you today was prepared by volunteer workers on their own time, just by way of explanation. On my left, is Sister Rachelle Vinet, of the Corporation, who is director of the Family Services at the south Centre; the southern section, for those of you who are familiar with Montreal, is the district near the Jacques-Cartier bridge; a poor area. On my right, is Mr. Réginald Grenier, regional co-ordinator for the Government of Quebec in western Quebec; also a very underprivileged area. Mr. Raymond Dole is himself Joint Secretary-General, Fédérations et Conseils des œuvres (?) du Canada (Canadian federations and councils of labour), and the Canadian Welfare Council. We have, as our producer, Mr. Richard Millaire, in charge of social activation, adolescent division of the district agency—also located in the southern downtown area—for public education.

As I said before, I am Secretary-General for the Corporation des travailleurs sociaux professionnels de la province de Québec.

Allow me to point out before I start what will be a synopsis of our memorandum, which is itself a synopsis, from which all statistics will be excluded since it would take too long to discuss them or include them in the reading here, but we have indicated the sources because we feel they could be consulted to your advantage afterwards.

I would also like to say before starting that for some of us in Quebec, it is essential that the most suitable and effective measures be taken as soon as possible to rectify the social disparities which exist in our province, especially during these times of social tension in which we live.

To us, poverty is the situation in which people find themselves who, due to a lack of resources, cannot reasonably meet their needs as defined by the standards and values of the community in which they live.

Poverty has rapidly become a subject of dissertation and academic verbiage. Through all this, we have lost sight of the poor themselves, those for whom the social horizons are blocked, those who wait while we study. In order to convey to people of goodwill the gravity of the problem of poverty among us, numerous studies have been undertaken giving all the angles, but we would call attention to areas which are less affected, such as childhood. To us, childhood has the element of a second chance, a social chance. A second chance to check existing poverty which we could perhaps remedy through a policy of prevention. Unfortunately, protective measures contained in the laws governing children are limited poorly co-ordinated with each other and often punitive in nature. Child services are outmoded, lack planning on the part of the various levels of government, and generally comprise the appearance of taking over rather than the philosophy of improving and developing an environment.

The statistics included here are for the city of Montreal, since it is a metropolitan area which is supposed to be well-equipped with regard to services. If Montreal presents such inadequacies, you can imagine what it must be like in the rest of Quebec; due to the size of the population and the disproportion between the rich and the very poor, poverty there is much more obvious than anywhere else.

Let us remember that almost a quarter of the Canadian population, and a slightly larger percentage in

Quebec, have gained little or nothing from increased welfare. This part of the population is living in poverty or conditions verging on it.

Poverty

In the metropolitan area, 48.6 per cent of the population are considered to be living in a state of poverty, or on the subsistence line, i.e. the least family or social crisis would throw these people into poverty. I repeat, 48.6 per cent of the metropolitan population.

Perhaps we should also bear in mind that Quebec is third in Canada with regard to welfare payments and the number of welfare recipients. The poor are thus the under-privileged. But the aspect of poverty which strikes us the most is precisely the lack of participation in the social life of the nation. Generally speaking, the poor lack organization. They are outside the union movements, isolated, silent; they have neither the education nor the means necessary to make themselves heard.

Dr. Alan Wade states, and with justification, that we don't know whether a massive infusion of money would solve the problem of poverty and give the poor a new start, because it has never been tried. What has been granted to the poor has always been extremely limited, never enough to allow them to move off the poverty line where they have been for as much as three generations.

Poverty is not only costly to the poor themselves, but to the rest of society as well. The most obvious costs being crime, disease and illiteracy. But there are others: poor productivity, loss of production, the costs of the fight against social tensions produced by flagrant injustices, as well as the costs of that part of social security which is really only a temporary cure made necessary by the absence of a more permanent solution.

In the United States, it has been estimated that a poor person between the ages of 17 and 57, can cost the state \$140,000. With a view to fighting poverty, therefore, all measures taken by the governments with regard to children are in the area of primary prevention. But let us remember that no protective measure or assumption of responsibility for children can produce short-term results.

If we consider the consequences of poverty on children, let us not forget that from a material point of view, poverty in a very short time breeds the following problems: tiny, insanitary living quarters, devoid of essential facilities, a notable decline in the physical and mental health due to an inadequate diet, insufficient heating, etc.; all kinds of pressures connected with an unstable income; limited access to medical and psychia-tric care; the absence of recreation and outside interests due both to the poor environment and the size of the family income; a low level of education, an ever increasing number of absentees and drop-outs from school; all these things are in evidence to a staggering degree in underprivileged areas.

The child raised in an environment of poverty sees his development compromised by repeated failures, which inevitably lead him into a situation from which there is no way out. The important point which we want to make here is that the child who lives in an environment of poverty, by the very deficiency of his environment is deprived of a variety of incentives, often at several levels

at once, which handicap his general development in a very short time. Thus it has been observed in Montreal that a child of three, from the gray or poverty zone, has already experienced a setback of a year from the point of view of verbal expression in comparison with a child from the lower middle class.

The figures provided here are therefore drawn from the gray areas of Montreal, where the silent majority of the poor population lives. What of it? Sixteen of the 21 districts with the highest mortality rate in the metropolitan area are priority or poverty zones. Thus, there are 241,551 illiterate adults in Montreal, living primarily in the gray areas which explains in part, obviously, the verbal retardation of children from poor areas.

Let's give a few figures here to illustrate the disparity which exists between a lower middle class area, a district of skilled workers, and a gray or priority area.

Of the students who attended Catholic schools in Montreal last year, 40 per cent of the repeaters came from poor areas, 20 per cent from areas primarily populated by skilled workers. Thus, there are two items as many repeaters in the gray areas. In the first grade, the accumulative retardation in schooling is three times as great for children living in poor areas as for children from the lower middle class.

The intelligence quotient in poor areas is much lower than elsewhere, not because of an actual intellectual incapacity, but primarily because of a lack of any kind of stimulation.

Of the population of the CECM with an I.Q. of less than 80, 19.6 per cent are to be found in gray areas, while only 6 per cent come from the middle class.

The children in the CECM system were given a school aptitude test in which the children were divided into nine cagegories from the best to the poorest. In the school population of the grey zone, the four poorest categories of the nine represented 61.1 per cent of the school population. For the lower average, we find in these poor intellectual classes only 23.2 per cent of the population.

I now ask you to carefully study the table on page 17 of our brief. This will stop us from having any illusions about present possibilities of recovering the children of the poor, in order to limit, in the coming decades, the number of social dependents. Our efforts here, and we note this with horror, are still far too limited to stem poverty in our so-called rich society.

Child services are generally inadequate in the poor districts.

The dualism of the provincial and federal systems partly explains the duplication we meet with in some service sectors, and the absence of appropriate measures in others.

To sum up, we can say that in the social apparatus designed to protect the child, we find the following situation: insufficient services, inadequate professional resources, backward material equipment and social thinking and consequently, legislation that is more punitive than preventive.

Poverty in professional resources is expressed in the following facts: services are insufficient, as we have said. The different levels: federal, provincial and municipal, do not permit sufficient co-ordination for the people to receive the services that they need. Psychiatric services for children and adolescents are quite simply inaccessible because they are far too few and poorly organized. Psyciatric or psychological evaluation services are obtained in the metropolitan area only after at least three months. Treatment services are pretty well non-existent.

In another area, that of the rehabilitation of delinquents, it can be seen that we have still very little to offer. We have an average of one person to evaluate 150 foster homes that are under the Welfare Court. Also, one officer evaluates 1,000 substitute homes per year, and vists are made to rehabilitated persons and delinquent children at the rate of just one a year. These observations speak for themselves.

In education, in the disadvantaged districts of Montreal, 52 per cent of the teachers are less than 25 years old, against 36 per cent in the middle-class districts. Thus, teachers with the most experience, those who are capable of showing the most maturity in facing children's problem situations, are out of the picture for school children in disadvantaged districts.

Among the teachers in the grey zones, there are very few men, which does not help the child to identify with a male figure, and aggravates their matriarchal situation, experienced by such children in their homes.

Why do we speak of a matriarchal situation? One single statistic can explain this attitude. Out of 28,000 cases of social assistance, in Montreal City, 6,000 are cases where the mother is the head of the family, and the father is absent from the family picture.

Still in the area of resources, there is a scarcity of psychologists, guidance counsellors, speech therapists and social workers in disadvantaged districts.

This is first of all explained by the small student bodies in the various faculties or schools concerned with training in human relations. But this is even better explained by the competitive bidding for their services that leads these different professionals to turn, not in the direction of communities that are in greatest need of their skill, but in the direction of the communities wit the greatest prestige.

What should we conclude from all this? That the urgency of the situation requires not palliatives, but massive unfusions of money in all kinds of forms, and extensive participation by professionals and technicians, with the main purpose of attending to the problems that affect children.

As we have already said in the brief, the problems of disadvantaged children cannot be understood apart from those of the disadvantaged family, and this holds true also for the solutions to these problems.

If we fail to find quickly the required, effective solutions, the danger is great that 1980 has in store for us a more widespread poverty situation than the one we have today, and more dramatic in its marginal character, than the one that presently exists in our large metropolitan centers, cities and towns and in the country.

Let us then begin right away, and it's urgent, to create the just society of 1980.

The Deputy Chairman: Madame Grenier, I thank you very much. You've covered a lot of ground in a few minutes. Do you have a message, or something else to add?

Mme Blais-Grenier: Perhaps we could go right on to the audio-visual presentation. I think, perhaps, that Sister Vinet has a few explanations to give.

Sister Rachelle Vinet: I could give some explanations as we follow the slides.

The Deputy Chairman: Very well. (Showing of Slides)

The Deputy Chairman: Madame Grenier will now make some recommendations.

Madame Grenier: I must first of all tell you that we are all agreed that it is necessary to find programs and solutions for the different problems of poverty. I'll give you our recommendations in an incomplete way, a general way:

that the governments tackle poverty in a more aggressive, more deliberate and more concerted way;

that families and single persons be given a guaranteed minimum annual income as an essential measure to combat poverty, and that other supplementary aid formulas be added to this measure:

that the system include pegging so that it can be quickly be adapted any increase in the cost of living;

that we tackle the formulation of an overall policy of creating jobs;

that beyond the poverty, we take into consideration the poor themselves, by attacking the prejudices that make of the poor "lazy, social parasites". The poor must instead be considered as victims of the system;

that participation of the poor be encouraged in measures and decision processes that concern them;

that more confidence be placed in the poor and that simpler and more flexible regulations be placed in the assistance measures so that the poor can make more use of their independence;

more particularly that more be invested in the disadvantage areas and specifically in fields immediately affecting children;

that children in underprivileged zones thus be given the same chances as others, particularly in the following: health, education, housing and recreation;

that all measures for keeping the child in his family and socio-cultural context have preference and priority;

that the presently existing contradictions in the legislation concerning children be eliminated and that more Poverty

thought be given to legal measures for the prevention

and rehabilitation of the underprivileged child;

that no stone be left unturned to make residential renewal projects materialize;

that the development of day care centers in disadvantaged districts be encouraged, care being taken to set up a program to make up for the physical, linguistic, etc. deprivation of the children:

that kindergartens and pre-kindergartens be general in the grey areas;

that in the day-care centers, kindergartens and prekindergartens, there be established an animation and education program for parents;

that the family allowances, plan, that has lost some of its value, be reconsidered so as to be worthwhile for families generally and for poor families specially;

that homemaker services be available in greater quantity so as to give overworked and sick mothers assistance by saving them from repeated hospitalization and the placing of their children;

that child psychiatry treatments normally follow diagnostic services;

that courts specially designed for families be developed, so that all the units of one family cell can be heard and taken into consideration at the time sentence is pronounced:

For this purpose it would perhaps be advisable to create district courts whose magistrates would be citizens of recognized integrity and sense of justice; named for life by the competent authorities. Such persons receive no salary, and their prime function is to see to the observance of the law and the welfare of their fellow citizens. This procedure, which comes down to us from the Middle Ages, but is still widespread in England, has as its chief quality the fact that it provides families and children with a court of first instance whose magistrate is a person who is integrated in the life of the district and the current social and cultural usages. In order to avoid removing the child totally and over a very long term from his community, the resources should be very decentralized and accessible to all the people.

Considering that some groups of greatly distrubed children at present receive no worthwhile service, it is necessary that governments encourage the competent persons to create new service programs, and to facilitate their implementation through adequate financial aid;

that effective co-ordination mechanisms be provided so that diagnostic services should not exist without it being possible to follow them up through failure to possess the professional resources prescribed in the treatment;

that professionals in health, welfare and education be encouraged to work in the disadvantaged districts, either through a system of bursaries or through a grants system designed to increase the number of professionals in the grey areas where needs are more numerous and more immediate than elsewhere.

22-10-1970

Thank you.

The Deputy Chairman: Thank you, Madame Grenier. Do you have others who are going to take part in the discussion?

Madame Blais-Grenier: Yes.

[Text]

The Deputy Chairman: I want to tell honourable senators that you are quite free to ask your questions in English. No one asks you to speak French. There is no reason why. I will try to translate them so that we will understand one another.

Senator Croll: The interpreter will be able to translate it for us.

The Deputy Chairman: Sure.

Senator Croll: May I then ask you to take a look at page 13 in my copy of the brief—sample budget for a low income family. As I see it the family consists of five people.

**Senator Fergusson:** Should not the witnesses have simultaneous translation?

The Deputy Chairman: Mrs. Grenier understands English.

Senator Fergusson: She is not getting it. They are not getting the simultaneous translation.

An Hon. Senator: Yes, they are.

Senator Fergusson: I did not see that she had it.

Mrs. Blais-Grenier: Je comprends.

Senator Croll: You say the family runs into debt to the extent of \$90 each month. How many months can it run into debt before it runs out of money? What happens?

The Deputy Chairman: You can answer in French.

[Translation]

Sister Vinet: Deprived families are right in the middle of a drama; they get into a situation that they can never again get out of. Well they pile up debt upon debt and then, what happens is a garnishment. And after that it's repeated garnishments, and if it's a job or a subsidy—let's say he has a job and he's a low-paid worker, he is likely to lose his job because of the wage garnishment, and just as soon as he gets another job, to lose it again. Thus the circle begins again and he can no longer get out of it.

It's the same thing for those on social assistance; all the time that they are on social assistance, they can run into debt, they can pile up debts, but they cannot be sued during the time that they are on social assistance, because they are not suable, not having any other assets. Well they can no longer go back on the labor market, even with jobs; when they go back, all the creditors

come back with their garnishments and they have to go back on welfare to be protected. So it's a continual vicious circle.

#### [Text]

Senator Croll: You have in the Province of Quebec one of the best small debt acts, the new bill, the Lacombe Bill.

#### [Translation]

Under that bill you discharge your obligations more easily than anyone else—under the circumstances that you present us with now. Do any of the people you help take advantage of it?

Madame Blais-Grenier: The Voluntary Deposits Act.

Sister Vinet: It's the Voluntary Deposits Act, and this Act is used, it is frequently used, but is not usable in every case, and you have to give warning before the garnishments, beforehand. Well, when people apply to a welfare organization, once the situation is deteriorated, it's much more difficult to go back.

Madame Blais-Grenier: If I may, Senator, i'd like to add something. It's that those figures are dramatic, mainly because they're true. It's a study that was made at the end of the summer in Saint-Jérôme, i.e. Saint-Jérôme which still isn't the big metropolis; accommodation is cheaper there, living there is cheaper.

It's a study, a profile based on an analysis of the budgets of 233 families. Why was it put in our brief? Precisely to show that on \$3,000 a year, a family of three children and two adults can't even make a living in the country, in Saint-Jérôme. Well, what is it like now when you live in Montreal? With the constantly rising cost of living, and public transit that is excessively expensive, the family is kept and the system keeps it at the poverty line. In spite of everything you might wish the poor to be, dynamic and hard-working, despite all the qualities you might want them to have, in spite of all that, they couldn't get out of the condition of poverty they are kept in.

#### [Text]

Senator Croll: The reason I came to this was because the Economic Council's return on five people—I don't know whether it is in here or not—is about \$4,800.

Mrs. Blais-Grenier: Yes, \$4,800, but that was in 1968. There would be a correction for 1969 and 1970 which we do not have.

Senator Croll: I know that. How big was the town you used for that figure?

Mrs. Blais-Grenier: St. Jerome has a population of about 35,000 people. That is approximate.

Senator Croll: Where is St. Jerome?

Mrs. Blais-Grenier: About 40 miles from Montreal. C'est une région désignée par M. Marchand.

The Deputy Chairman: Northwest of Montreal. Senator Croll: Is it a rural or an urban area?

Mrs. Blais-Grenier: It is semi-urban.

[Translation]

Madame Blais-Grenier: It's semi-urban and it's going to be more and more uban because of the airport, the new airport.

[Text]

Senator Croll: I am intrigued by a few of the things here, for instance, payment of debts. Does everybody have the debts?

Mrs. Blais-Grenier: They all have debts and they have them at Compagnie de Finance with interest at about 22 per cent for each amount of money they take.

[Translation]

I'd like to continue in French if I may.

The Deputy Chairman: You speak well in English, I congratulate you.

Madame Blais-Grenier: These finance companies, of course, lend at astronomical interest rates. But, on the other hand, no bank is going to lend to poor people or welfare recipients. The Caisses Populaires are making an effort in that direction, but it's still in the idea stage. The only recourse when they are in need of money is the finance companies, and the companies take advantage of it

**Sister Vinet:** Also, it's the people who most need to borrow, the poor, who have an extreme need for loans, and no possibility of borrowing, who are forced to go and borrow at unacceptable rates.

Madame Blais-Grenier: I'd like to refer, if I may, Senator, to Appendix I, where we mention the difference in benefits, the increase in financial assistance benefits between 1960 and 1970, you can see that financial assistance benefits rose an average, in Quebec, of 4.1 per cent per annum, at a time when the cost of living rose 6 per cent and more, per annum. Therefore, at the end of 1970, at the end of 10 years, the poor have a net loss of at least 20 or 25 per cent in their purchasing power, and that's a minimum. But what did go up in Quebec is the number of recipients of social assistance, 228,000 in 1969 against 111,0000 in 1959. It's Appendix I, after the bibliography. And the result of this is that the per capita paid by the people of Quebec in social assistance measures...

The Deputy Chairman: Is each senator at Appendix I? It's at page 7. Almost at the end.

Madame Blais-Grenier: The per capita paid in Quebec is \$40 for financial assistance compared to \$21 in Ontario, and that's easy to explain. We have more poor because we have more unemployment, but at the same time we give them less. So, we create more poor, and we can't give them more. The Quebec budget, at the present time, doesn't allow us to spend much more for financial assistance.

[Text]

Senator Carter: If I may just ask a supplementary on that, Mr. Chairman, with respect to the family budget.

Poverty

Do I understand that the person with a family is a working man, one of the working poor, this person who is not on assistance?

#### [Translation]

Madame Blais-Grenier: This poor person is generally a worker, that's an average picture. This poor person is generally an unskilled worker, a laborer, and he has work for two or three months, and then falls back into the situation of applying for assistance again, so that if he gets assistance once, it gives him more security than looking for work. So he tries to keep himself at the assistance level, knowing very well that if he gets employment, it will be for a short period of two or three months, and that he'll lose his job after that. At that moment he is not very much interested in working.

**Sister Vinet:** Considering that the laws do not allow him to earn or get back quickly to a measure of social security between work stops. It's very slow. So, at that moment, it encourages...

#### [Text]

Senator Carter: Is the income that you list, the \$2,915, what the man actually earns plus assistance, or is it what he would get if he were on assistance only?

Mrs. Blais-Grenier: That is what he gets when he is only on assistance.

Senator Carter: Oh, this is public assistance.

Mrs. Blais-Grenier: Yes.

Senator Carter: But he can supplement that if he gets a job.

#### [Translation]

Madame Blais-Grenier: With the new Act, Bill 26, he can earn up to about 40, wait a bit, I'm figuring it out, \$55 more a month in earnings from his work—with the new Act that's going into force on November 1. But if you do the figuring with the \$55 that he would get from his work, considering that he could find work according to his means, because, generally, these are people who have an education below the level of Grade 5; suppose he finds work, he can then increase his budget by \$55 a month. But, at that moment, for two adults and three children, he is still below the poverty line established by the different studies we are giving you here: the Montreal Dispensary, the Economic Council of Canada and the 1965 estimates of the Quebec Welfare Council.

### [Text]

Senator Pearson: Mr. Chairman, if I may ask a supplementary question, in the case of this \$2,900, that is family assistance. Supposing the guaranteed income was brought forward and it was decided that \$4,800 would be the amount agreed to that a family of five would have to have. How would you start it off? Would you start off by giving the head of that family exactly the \$400 a month or would you gradually build the amount up? That is, if he gets \$2,900 now would you give him the extra \$1,800 right away, that is, within one year's time, or would you give him just a portion of it per year until he got up to the \$4,800?

[Translation]

The Deputy Chairman: Did you understand the question?

Mr. Raymond Doyle, Member of the Board of Directors, Corporation of Professional Social Workers of Quebec: Yes, I did.

The Deputy Chairman: You've figured out the answer?

Mr. Doyle: It's an extremely difficult question when you talk about guaranteed income and all that. It's the famous question of striking a balance in what a man can receive, say, what the head of a family can receive and what he may earn by his own means, and what we want to safeguard, i.e. on the one hand, we may fear that by giving him too much, too quickly, say, something he hasn't earned, for which he hasn't worked, that encourages him simply to remain dependent on assistance. On the other hand, we've never really tried, as they say, I think, citing Wade, here, I think, have we really ever tried a massive infusion, say, because, at that momerit, we are departing from the extremely simplistic view that the remedy for poverty is money, and more money. Have we really taken that seriously? Have we ever really said to ourselves: "What is needed is a massive infusion, as quickly as possible, of money in the direction of those who need it now"? It's a question that has been bothering me personally for a long time, for a few years at least, and personally, I haven't yet found a definite answer to that question. It's a question you are going to come across in each brief, almost.

Sister Vinet: I'd like to add something to this, perhaps: it's that I think that a family that would receive either a guaranteed minimum income or assistance benefits, if we said to the head of the family: "For a year, we're going to help you, but you can find work and work just the same. At the end of the year, I think that the person would have found work, that he would have straightened out his financial situation and would no longer be in need of assistance, because the question of basic security to cope with creditors, it's more urgent to be able to clothe the children for once, to have them looked after by a doctor. They have to wait a year for needs that haven't been satisfied for three or four years. And this, while trying to work. I think that most of those who are fit to work, and I'm not talking through my hat, would find a job at the end of the year and would no longer need help. But, this fluctuation of help for three months, work for a week, three months on welfare, this discourages everybody, and forces them into a system for good.

In any case, I myself think that for the first year or the first six months, if we gave the welfare recipient all the freedom to find work, while keeping his benefit, he would no longer be unemployed after a year, and permanently be no longer an unemployed person.

#### [Text]

Senator Croll: Mr. Chairman, may I suggest in response to the very important question that Senator Pearson has asked that any plan that we would recommend could not be implemented today, tomorrow or the next day. It would have to be phased in on a percentage basis over a period of a number of years. I do not know

what percentage basis could be used at this time, but first we would have to fix the poverty line and then it would have to be phased in each year, say, 10 per cent the first year, 12 per cent the next and so on.

Senator Pearson: I cannot see that a massive infusion of money right away would be of advantage to the family because they would probably go and grab a lot of little things that they need which would not of necessity improve their situation. So, as I say, it would not be improved by a massive infusion of money.

### [Translation]

Madame Blais-Grenier: Might I add something about that? It seems to me that what we are discussing here, and it's perhaps a fault that's often committed, in social assistance measures, perhaps there's no other way of doing it, however. But we're discussing a plan for everyone, in the same way. It's very certain that in a society like ours, we'll always have dependents that we have to look after, whether it's people who are pathologically unable to work, or who are mentally ill, or whether it's retarded children, we'll always have dependents that we have to look after. But the problem is that the present system does not permit us to settle at one time the problems of families which, if their problems were settled, would make the leap to the other side of this fence, the boundary, would jump over the poverty line. We have examples, at the present time, that aren't very numerous. About twenty cases perhaps, in Quebec, on which we have been working for six months. In these cases, because of special measures, and because some members of the government agreed to give it a try in Quebec, we wiped out the debts at one stroke, took the family and put it into a normal district, a normal environment, not rich, just normal. We gave the family what it needed in the way of budget, and in these few cases, the people were capable of taking themselves in hand and starting to work again. I don't want to generalize because I'm sure that whatever we do and whatever social assistance policy we have, we'll always have dependents that we'll have to be concerned with. Yet what I find frightful is that the present system does not permit us, for people who could do more, who have vitality, who don't want to receive assistance, who don't want to be dependents, we have no way of getting them over to the other side of the fence.

#### [Text]

Senator Pearson: On page 10 of your brief—"Medical report on 311 children"—you put down there 105 children with malnutrition, 97 children with retardation in growth, and 87 chldren with psycho-motor retardation. How many of the 105 children suffering from malnutrition suffer also from one of these other problems here?

#### [Translation]

Madame Blais-Grenier: Senator, you must have noticed the problems that children suffer from; most children have several problems at one time. Unfortunately, we can't give a statistical cross-section at the present time. It comes from the Montreal medical clinic situated in the grey area, the Saint-Jacques Clinic.

Sister Vinet: The Saint-Jacques District Clinic, and not the clinic of the Saint-Jacques inhabitants; it's a clinic of the City of Montreal. But they're getting enough food, in the seven schools at the first-grade level. But that was done in 1966 in a single school, and more than 40 per cent of the parents admitted not giving their children enough food; not quality, but quantity. In a single school where they saw the parents of all the classes, 40 per cent admitted that they were not giving enough food.

Madame Blais-Grenier: I might perhaps add there a statistic that we submitted in writing, because it comes from a school in Quebec City, a school in a poor district, where last year they gave (There are 3,000 pupils in this school; it's a school that gives technical training to adolescents between 12, 15 and 17 years), in this school, last year, they gave 2,000 dinner tickets because the children used to come to school and not have the wherewithal to pay for their dinner; and they would have no food either. They agreed to try it, and they gave 2,000 dinner tickets for the year. They knew that at that time, many children passed the tickets by. This year the School Commission management thinks it's going to make the noon meal free, because there are too many children who cannot feed themselves adequately. When I am telling you this, about not enough food. I want to remind you of one of the pictures you were shown a little while ago; it was perhaps not very obvious; we saw three children with one bicycle and a bag. In that bag were six rolls, rolls as big as that (indicating). That is the basic food in a poor district. Well, it's not enough in many ways, perhaps it isn't insufficient in quantity, but in many cases it is. However the quality of the food is completely below everything we can imagine so that the children are apathetic, and that can be seen easily enough by the faces here.

#### [Text]

Senator Fergusson: Mr. Chairman, I am particularly interested in the matter of young children having nursey school opportunities. You referred to day nurseries, and I suppose this would also include day care for your children.

Many of the briefs presented before the Royal Commission on the Status of Women called for day care in Canada. I would like to know how early you think children should have this opportunity, and also what priority you think this should be given, when one is considering poverty and the elimination of poverty.

### [Translation]

Sister Vinet: According to experiments with children, both in the United States and on a smaller scale in Quebec, if we do not start when they are at least three years old, it may already be too late for certain aspects of a child's development. At the present time, there are kindergartens almost throughout Quebec which take 5 year olds. I say almost, because it has not been completed yet. However, there is nothing for 4 and 3 years old. Perhaps it is not necessary in all environments that measures be taken by anyone other than the family. In other environments, although the parents may perhaps work, let us say that it is then necessary, where develop-

ment or facilities in the family are concerned, parents have the material resources as well as the means to develop children. In a have-not environment where there are neither the facilities nor personal ability, I think that when a child is at least three years old he can at that time catch up with anything he might have lost between the ages of one and three. But after the age of three, I think that part of the victory, the possibility of success with the child, is already lost. There is no program at the present time-in the French-Canadian environment, in any event-there are, in the English-speaking environment, more nurseries at the present time, but they are Montreal, there is only one nursery in a poorer area, only one for 25 children. Thus, nothing has been done in this field, absolutely nothing. What is proposed as a recommendation is that, at the same time, because in poorer neighbourhoods, the mothers do not work, and they cannot go out and work when they have 6, 7 or 8 children; therefore they do not work. However, it would be a simultaneous or parallel program for both the children and the mothers. Actually, the mothers should be instructed right in the nurseries, at the same time as the children are being taught and undergoing intensive development. I do not know whether that answers the question.

#### [Text]

Senator Fergusson: Yes, I think so.

Further, on day care, are there any large corporations that employ women who supply day care for the women working for them? None that you know of?

[Translation]

Sister Vinet: There are none.

Mrs. Blais-Grenier: I do not know of such a case in Quebec at the present time. I would perhaps like to add something, if I may. When children are of a young age, even when a child is two years old, if there were already a program which would give the mother perhaps two hours free each week, and even for educational purposes, according to the formula that Rachelle Vinet proposed, this would already be an immense advantage for those children, because those women would have the time and desire to learn how to deal with their children, how to refer anything which might occur at the child's psychomotive level; however they are well enough aware that they are being taught.

Sister Vinet: It is very easy to mobolize mothers when their children are involved, in a poorer environment, because this is the environment where the children are most protected, in their own way, but the most over-protected. However, the programs and available staff are so limited that it is not possible to invest at that level. Small, but very meaningful, experiments are being carried out, but they should be broadened to a much wider scale so that mothers will be able to participate in personal training in an extraordinary way, especially when they have been encouraged to do so and when the means are proposed to them.

[Text]

Senator Fergusson: In section 27(D) you mention that public nursery schools are numerous and readily availa-

ble in the well-to-do milieu, but are very limited in impoverished areas. You say there are public nursery schools. Are they provided and subsidized by the Department of Education or some other department?

[Translation]

Sister Vinet: Kindergartens in Montreal are part of the school system, therefore they come under the MCSC, and this is for 5 year olds, what was previously called the pre-schooler. Kindergartens do exist, but it is not completely widespread because the program has been in existence for only 5 or 6 years; there was some hesitation in making kindergartens public because there were only private kindergartens, 5 or 6 years ago, because the stages for carrying it out have not all been covered yet, but such a program by the MCSC will be in operation in two years and there will be kindergartens in every section of Montreal, in any case. But there are pre-kindergartens at the present time only in this year's special program, and only in specified priority areas. An experiment is being attempted with six pre-kindergartens for 4 year olds.

[Text]

Senator Fergusson: My only reason for questioning you on this is that where the need is really greater amongst the disadvantaged it is too bad that they are being provided only for those who are not in as great need. [Translation]

Mrs. Blais-Grenier: Furthermore, there is the private sector which is helping enormously since, more and more in Montreal, there are excellent kindergartens where children go from the age of three. However, they are very expensive. Therefore, it is the middle class, the rich enough class that benefits from them. The distance between a poor child and a middle-class child is increasing because of that. The middle-class child who, at the age of 6, comes to the public school already has three years of training and stimulation while the poor child has almost nothing, not even his home environment to stimulate him.

Senator Fergusson: Thank you.

Co-Chairman: Excuse me, I forgot, I would like to ask you a question. In all social laws, social services, there is always a cancer, the cancer of abuse. You spoke of dinners in a school, you mentioned that 200 dinners were given in a year. You also mentioned that in the near future dinner would be given to everybody. Do you not anticipate that there will be abuses, that there will be mothers who will say, "Little one, go to school at noon you are going to have a free meal", and so forth?

Sister Vinet: I think that everywhere in life there are abuses, in all classes of society. There are abuses in income tax returns, the corner grocer who does not give the right amount or who raises prices excessively. There are abuses among professionals who have to be outbid for their services. I think that there may be as many abuses among the poor. I do not think that there are greater abuses among welfare recipients or the poor than, for example, in submitting our tax returns correctly. The same percentage of abuses exists. I think that in each class of people, in each sector, among lawyers, doctors,

social workers, there are always abuses. There are also abuses among the poor, as well as among welfare recipients, the same percentage. Therefore, with the same vigour that one is prepared to do it, the situation must be rectified for other categories of the population as much also be done for that category. However, I think that such abuses should not be increased either because, having lived for 12 years in that environment, with those people, I have noted many more abuses in the opposite direction. I have heard people say, "I am now earning \$5 a week more for the past three weeks and I have not said so yet". I have heard that much more than the opposite, especially among people who can get out of their difficulties but who, because of illness or other reasons, cannot overcome their difficulties. I think that I would not be exaggerating if I say not more than in other classes of society.

Co-Chairman: Thank you very much.

Mrs. Blais-Grenier: Excuse me, may I ask a question, Senator? At the present time would you not believe,—I am the one who is asking the questions—do you not think that society at the present time is demanding that the poor be the upholders and guardians of morality, are we not ourselves refusing to do so?

Co-Chairman: Perhaps there might be two answers to your question.

#### [Text]

Senator Carter: I was very much impressed by those pictures that you showed, particularly those of the living quarters of these poor families. I presume from your table at page 13 that the \$85 that they pay for rent would be for that type of home. My question is: If we gave this family \$4,800 instead of \$2,900 would it then be able to improve its housing accommodation? Is there better housing available for them? Would they be able to move out of this environment in Montreal in which they now are?

#### [Translation]

Sister Vinet: At present, in the neighbourhood I'm in, rents are frightening, in view of the welfare they have. For example, in the lodging that you saw in the photos where we saw channel 10's sign lives a family of 8 people—6 children and 2 adults—who pays \$65 a month for a single cold-water tap in the kitchen, no shower or bath; this proves that the rent for such housing is low, whereas to that should be added \$25 for heating sometimes \$30, because basically they are slums. The poor fool themselves by thinking that they pay less when in actual fact they are paying more since heating expenses have to be added, plus doctor's and druggist's fees arising from colds or illness contacted during the winter just because of the existing situation. Furthermore, if you add everything they have to pay because of this housing, whose basic amount of \$60 is fairly acceptable, it is unbelievable and frightening. Usually, and even if there is a certain housing crisis, as soon as incomes are higher, people move, even if there is a housing crisis. Anyway, if there were low-cost housing, in line with their income, then they would go into low-cost housing but there isn't any at the present time.

[Text]

Senator Carter: There was none? That is what I want to get at. If I understand you correctly, you say that about 48 per cent of the whole population is living in this type of environment.

### [Translation]

Mrs. Blais-Grenier: Excuse me, the 48.6 per cent of the population is made up in part by welfare recipients and in part by economically weak, that is, people who manage to live in their own, at some time, but who do not have job security or if they become ill they have no guarantee of an income that would allow them to be ill for six months before returning to work. You know that when a man who is not a skilled worker manages to get work, if he becomes ill and is ill for three months, it is a sure fact that at the end of the three months he will no longer get his job back. This is what we mean when we say that there is 48.6 per cent of the population of Montreal who, economically weak, is threatened by crises, such crises as health, unemployment, or any other social or family crisis, which can hurl it into poverty. You ask whether, in giving them \$4,800, one might expect to solve the problem. I cannot answer that because I believe that at the present time our society is developing so quickly, people are doing so much luxury spending, that I do not know whether, by giving \$4,800 to all poor Canadians, we are going to solve the problem of poverty. I am tempted to say that it will not be solved. Furthermore, I am quite tempted to add that a guaranteed annual wage is only one measure among many others. We shall have to be much more preventive than that. We shall have to be so constantly. We should never stop after one measure has been achieved for fear of being overtaken immediately.

#### [Text]

Senator Carter: I am not getting my point across, and I do not know how to do it. In your brief you seem to make a distinction. You talk about delinquency, and you say that delinquency is not as prevalent in the low income areas as it is in the welfare areas. So, you draw a distinction between those two different types of area or environment. I take it that the environment in the public assistance areas is a shade lower, or a shade worse, than the environment in the low income area. That is what I infer from your brief.

#### [Translation]

Sister Vinet: Excuse me, have you finished? I think that one cannot assume that poverty systematically leads to delinquency. Delinquency is different. I think that, for example, there will be delinquency where drugs are involved, in environments that are much better off than the have-not environments. It is a different delinquency.

#### [Text]

Senator Carter: I am not concerned with delinquency at the moment. I am concerned with environment. Now, there are two classes of environment, as I understand your brief. There is the environment of the low income group and the environment of the public assistance group which is a little worse. The populations of these environments when added together represent a large proportion

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of the population of Montreal. These people have two problems. They have the problem of money to provide for their everyday needs in respect of food, clothing, entertainment—their ordinary everyday living expenses—and they have this problem of environment. If you satisfy the needs of one group how do you satisfy its need in respect of environment. That is what I am getting at. You cannot satisfy that need with money—or, can you? If they had more than enough money to provide for their ordinary everyday living expenses would the excess enable them to get out of their present environment to a better environment; or is a better environment not available, no matter how much money they have?

#### [Translation]

Mrs. Blais-Grenier: I think that I understand what you are getting at. It is a question that is not easy to answer. I am under the impression that the first thing the poor person would do, one who would have enough money to meet his needs, would be to try to leave the poor area. I am under the impression that that would be his first reaction.

Now I believe that we can act at two levels; we can give such families, taken individually, the money to help it jump over the fence; on the other hand, we can also improve the collective facilities of the poor neighbourhoods. Housing can be so improved that they would perhaps not need to look elsewhere, but they could build their life in a favourable and developed environment. It is not developed at the present time. The poor environment is not developed.

#### [Text]

Senator Carter: No, but these people are paying rent for these poor houses which you showed us, which are owned by someone. They looked to me to be substandard. If you cannot compel the present owners to improve those buildings, how do you go about it? Does the Government confiscate them and renovate them, or what is the situation?

#### [Translation]

Sister Vinet: I think that the help given should not be solely individual assistance. There are renewal plans, property owners' assistance plans, tenants' assistance plans, home renovation plans. At present, it is possible to help property owners to renovate their houses. For those who would have financial problems, it is possible to give assistance to property owners to renovate their homes. I think that assistance must be given at several levels at the same time, as Mrs. Grenier said. A whole neighbourhood cannot be moved to another sector; we would be creating other problems. I think that green areas should be set up in neighbourhoods where there are not any, instead of moving the people to where there are green areas. Swimming pools should be built in neighbourhoods that do not have any, at least one for an area with 78,000 residents, there isn't even one public swimming pool for an area with 78,000 residents. I think that we might offer things which are beyond the families, the collective facilities so that one can walk on the sidewalks without danger of falling, that the sidewalks be repaired as elsewhere. These are a good number of things that could be done, I think. We cannot limit ourselves to one measure.

#### [Text]

The Deputy Chairman: Are you satisfied; have you got the answer?

Senator Carter: Yes.

Senator McGrand: You mention on page 21 that there are only 100 homemakers for a population of 2,500,000. I presume this 2,500,000 means the metropolitan area of Montreal.

How does that number of homemakers compare with the number of homemakers in other large centres of Canada? How many homemakers do you have in cities such as Sherbrooke or Chicoutimi, smaller cities of 100,-000 or 60,000?

#### [Translation]

Mrs. Blais-Grenier: The statistics in this connection are not recent but I can say that I made a study of the family service throughout Canada in 1958 and 1959—this is not recent—and at that time, in Toronto, there were between 1500 and 2000. Perhaps Mr. Doyle could give you more recent statistics, I do not have any.

Mr. Doyle: All I can say is that Montreal, in absolute and relative terms, is very under-equipped. In most areas of services that are mentioned here, and in particular in the area of nurseries as we were able to note a while ago, as well as in the area of household help, family help, about which you are now speaking, in absolute and relative terms, Montreal, as well as the rest of Quebec, is under-equipped.

#### [Text]

The Deputy Chairman: Does that answer your question, doctor?

Senator McGrand: Well....

The Deputy Chairman: No; well, try again.

Senator McGrand: I could not get the translation very well.

Mr. Doyle: I said that in absolute and relative terms in the area of homemakers, plus the other areas mentioned, Montreal and Quebec generally are under-equipped.

Senator McGrand: Further to Senator Carter's question with respect to the welfare recipient in the environment of the low income, it seems to me that there are not areas in the city where the welfare recipients live and others where the low income people live. They intermingle in the same area and on the same streets, so the environment is as detrimental to one as to the other.

#### [Translation]

Sister Vinet: Such a radical separation cannot be made. Certainly people live, coast along, but in the area I am in, therefore a very poor area, the average income is \$3,500. Out of that 28 or 29 per cent are welfare recipients. The rest are seasonal workers who work three months and

who, the rest of the time, receive unemployment insurance, or work one day a week here and there. They coast along, but they have the same amount to live on whether they are welfare recipients or whether they are workers. On the other hand, in poor areas, there is always what is called the lower middle-class responsible for everything in the sector. The small property owners, those responsible for the area's recreational facilities, the merchants. There is always a lower middle-class. But when we know that the average income is \$3,500 a year in an area with 78,000 residents, I do not know, there are wage-earners, there are welfare recipients, but it is difficult to differentiate.

#### [Text]

Senator McGrand: Is it not correct that the area, the lack of facilities and poor housing has the same effect on the low income population as it has on the welfare recipients?

Sister Vinet: That is right.

The Deputy Chairman: That is the way I look at it. Last, but not least, Senator Inman?

Senator Inman: Mr. Chairman, my question relates to Senator McGrand's, and is with respect to mothers' helpers. Supposing a woman had five or six children, or even three or four very small children and became very ill, is there any provision made in your organization for someone to go and help out in circumstances such as that?

#### [Translation]

Sister Vinet: Family helpers are so limited in number that we have to use them in very, very specific cases, as in the case of childbirth. That does not last long; then one can get a family helper. As soon as there is a prolonged illness and since there are very few family helpers, one can no longer use them. If a mother has to convalesce for three, four or six months, the children have to be placed; in Quebec it is a tragedy at the present time, having to place children, a tragedy that could be avoided through adequate measures. Then, there is the risk that the child will be placed for a longer period of time than the mother's illness. Experience has proved this. For the first time in her life, having been able to have had a period of relaxation, of rest, perhaps even of being able to go out one day a week, it is difficult then for the mother to readily accept that the children be returned quickly. The number of social workers called upon to rehabilitate the family or to prepare for the children's return is also limited; as a result, placements last much too long and become permanent placements and often for a minor occasional problem.

#### [Text]

Senator Inman: And then what happens? Is the family disorganized? Can it ever get together again?

Mrs. Blais-Grenier: It happens often, very often.

#### [Translation]

Senator Lefrancois: There is one thing that struck me and that is that Mrs. Grenier seemed, did not seem, but

said that in the schools in the grey areas, the teachers were not as competent as in others. Why? Is that discrimination to certain point?

Mrs. Blais-Grenier: It is that the grey areas are difficult areas and the children there often do not have the same educational background as in middle-class areas and the competent teachers, because of the prestige that is attached to that, have a tendency to take refuge in a middle-class setting. This is exactly what can be noted in the schools in New York where the situation is the same.

Senator Lefrancois: Another thing. A year ago, I believe, the Catholic School Commission in Montreal voted a certain sum of money for taking care of five or six schools?

Sister Vinet: Five or \$600,000.

Senator Lefrancois: Did that produce results?

Sister Vinet: The implementation of this grant did not start until September.

#### [Text]

The Deputy Chairman: Senator McGrand has a second question.

Senator McGrand: Part of my question was not fully answered. You mentioned that Montreal is very low in the provision of homemaker services, but you did not go on to say anything about what sort of service there was, if any, in other cities that I mentioned, like Chicoutimi and Sherbrooke. I mention Sherbrooke particularly because there must be a good deal of poverty there in view of the decline of the textile industry. There must be areas of low income or areas on welfare in Sherbrooke. I was wondering if there is such a thing as a homemakers' service in the Sherbrooke area.

Mrs. Blais-Grenier: If I could answer, I will try to do so in English, even if my English is not very polished.

The Deputy Chairman: You are doing very well.

Mrs. Blais-Grenier: In Sherbrooke there is family aid. Is that what it is called?

The Deputy Chairman: Yes.

Mrs. Blais-Grenier: They are under-equipped. In every city of the province there is under-equipment, in every section of the province, but we must not forget that Sherbrooke and Chicoutimi, although semi-rural, are in a general rural area where the family ties are very strong, and the possibilities of taking care of the children are much more numerous than in cities like Montreal. However, they are under-equipped everywhere in Quebec in any case. It is a general problem, and that is why the children have to be put in an institution, because there is nobody to take care of them at home.

Senator McGrand: That answers it.

Senator Croll: Who prepared the figures in Annex I?

Mrs. Blais-Grenier: These figures come from the Federal-Provincial Conference of 1969.

Senator Croll: On the first page?

Mrs. Blais-Grenier: Everything was taken out of the compte rendu of the Federal-Provincial Conference of

Senator Croll: Now would you turn the page over. Where did those figures come from?

Mrs. Blais-Grenier: They come for one thing from the Amuaire Général du Canada. Those figures at the bottom of the page come from the compte-rendu of the Federal-Provincial Conference.

Senator Croll: So all these are official figures?

Mrs. Blais-Grenier: They are all official figures.

Senator Croll: You say the Metropolitan Toronto source was what?

Mrs. Blais-Grenier: The Annuaire Général du Canada.

Mr. Doyle: The Canada Year Book.

**Senator Croll:** Let us look at this for a minute. The total population in the ten-year period from 1960 has increased by 20 percent?

Mrs. Blais-Grenier: No, that figure is not correct. I have just looked at it myself, but I do not have the correction. It is, I think, around 1,800,000.

Senator Croll: Suppose we take the population at two million. It will not make much difference.

[Translation]

Co-Chairman: What are those figures that you just gave us?

Mrs. Blais-Grenier: I think it is 1,800,000.

Senator Croll: You think the figure of two million is not right?

Mrs. Blais-Grenier: No, I do not think it is right.

Senator Croll: Do you think the 2,600,000 is right?

Mrs. Blais-Grenier: I think so.

[Text]

Senator Croll: Let us assume for a moment that they are both right, adding or subtracting a little. That is an increase of approximately 500,000, about 20 per cent, something like that.

Mrs. Blais-Grenier: Something like that.

Senator Croll: It is 20 or 25 per cent. It does not make all that difference. Right?

Mrs. Blais-Grenier: Right.

Senator Croll: Let us go over on the other side. Instead of 9,000 we say 10,000; it does not make any difference. We go down to 1969, and from what I remember of the

figures I think you are a little low there; it is about 10,000 to 40,000. You say it goes from 9,000 to 37,000. Right?

Mrs. Blais-Grenier: Maybe.

Senator Croll: Well, these are your figures, not mine. You got them from the government.

Mrs. Blais-Grenier: I do not understand.

The Deputy Chairman: I do not follow exactly either.

Senator Croll: But I am reading the figures. Mr. Doyle, can you follow me?

Mrs. Blais-Grenier: C'est le ...

**Senator Croll:** Hold it just a minute. Mr. Doyle, on this page you show a total population of 2,100,000 as against 2,600,000.

Mr. Doyle: That is 20 per cent.

Senator Croll: 500,000 increase, 20 odd per cent. Right?

Mr. Doyle: Right.

Senator Croll: On the beneficiary side, 9,300. Right?

Mr. Doyle: Right.

Senator Croll: As against 37,000?

Mr. Doyle: Yes.

Mrs. Blais-Grenier: That is your question? It is because the City of Montreal...

Senator Croll: No, no, that is not the question yet; wait a minute. Am I right in saying the percentage is about 400?

Mr. Doyle: Yes, 300 or 400 increase

Senator Croll: I have never come across any records in anything I have ever read, in histories or in reports, that have had that sort of relationship. The American relationship is one to 40; the increase in population as against the increase in welfare is one to 40. I have been trying to find out what it is in Canada and I have not been able to find out. Can you help me? Can you give us some figures?

Mr. Doyle: I cannot tell you, because I did not participate in it.

Mrs. Blais-Grenier: Can I explain this? The figures here on page 2 of Annex I are from the City of Montreal. The City of Montreal in this 10 years has taken some administrative measures that it did not take before. That explains the increase of 400 per cent, from 9,000 to 37,000.

Senator Croll: Then am I to assume that the City of Montreal...

Mrs. Blais-Grenier: It is taken ...

Senator Croll: Wait a minute. We had here the Director of Welfare of the City of Montreal.

Mrs. Blais-Grenier: Mr. Seguin.

[Text]

Senator Croll: Mr. Seguin. The figures he gave us at the time were not unusual figures compared to a city of similar size, like Toronto; they had some relationship, and we did not question it. Does Montreal take in more than Montreal? Is it the metropolitan area as well?

Mrs. Blais-Grenier: No, this is Montreal only. The 37,023 people receiving assistance are in the City of Montreal only for the purposes of this table.

**Senator Carter:** The significant thing about that is that it has doubled in the last two years. It was only 18,000 in 1966-67, and two years later it has doubled.

Senator Croll: What bothers me is that the history of welfare in the United States is that for every person where the population has increased one, welfare has increased 40. It is one to 40. That is not true here. I do not know what the relationship is. This is the first time I have been able to relate it.

Senator Carter: Here it is 20 to 400 and that is one to 20.

The Deputy Chairman: In my judgment the reason for this is that we have had an influx of unemployment. One reason was the massive number of people who moved to Montreal for Expo and found themselves later without employment. The figure which was given for the City of Montreal was 28 per cent. Senator Croll, you were shocked with these figures, but I was correct. Considering what has happened in Montreal within the last three years since Expo, I am not surprised at all at the figures.

Mr. Doyle: I think there is a mixture of factors here and that may be one of them. Possibly some of the factors may be because these things are not completely parallel and because Montreal may have taken on certain additional programs.

Senator Croll: Senator Carter pointed out that it is one to 20 which is not so much out of line as compared to the way I put it.

Mr. Doyle: It may be a combination of factors.

Mrs. Blais-Grenier: For one thing, the unemployment doubled from 1966 to 1970 and that is part of the explanation. Then there is the increase of population, and the special measures which they have taken since 1960. I am sure those figures are correct, because if you read the memoire you will note the number of cases administered presently by Montreal and it does compares.

#### [Translation]

Co-Chairman: Gentlemen of the Committee, on behalf of the Committee, it gives me great pleasure to thank you. I believe that you will go back convinced that the Committee on Poverty was deeply impressed by the questions raised and the answers given. You submitted very interesting figures to us. We shall be very pleased to include them in our files. That is information which will

certainly help us when the time comes to make the final decisions, and to make recommendations.

Once again, I thank you very much.

Mrs. Blais-Grenier: May we also thank you, ladies and gentlemen, for your attention? May we suggest that all of us do everything possible so that legislation will not be passed in five or ten years but as quickly as possible.

Co-Chairman: Agreed.

[Text]

Senator David A. Croll (Chairman) in the Chair.

The Chairman: On my right is Mr. Glay Sperling, who will present the second brief this morning. He is Chairman of the Department of Communications, Dawson College, Montreal.

Mr. Glay Sperling, Chairman, Department of Communications, Dawson College, Montreal: Mr. Chairman and honourable senators, I spent a considerable time of my working life standing in a classroom attempting to teach youngsters of 17 to 19 to communicate meaningfully. It struck me that there is an enormous difference in communication skills between children from urban ghettoes and children from middle-class homes. We have done a little research on our own in regard to this subject, and only generally we found that children from poor neighbourhoods, the ghettoes, have very small vocabularies. They generally have an inability to pursue a logical and sequential line of mental inquiry. They have an inability to read for any length of time without getting very fatigued and they have an enormous inability to express themselves with any precision orally and in writing.

Honourable senators, I feel that perhaps we can tackle the problem of the urban ghettoes by giving the children of the urban poor for the first time some options. People do not bring up children in ghettoes because they like it; they do so by sheer necessity. I think we could very easily adopt the system whereby children of the urban poor could be given a choice to attend schools outside the ghettoes, thereby for the first time giving them an option and perhaps for the first time establishing some sort of tangency between the urban poor and the middle class. I realize full well that education is not one of the subjects that is dealt with in these sacred halls here, but I put it to you as a suggestion.

On page 7 I have listed a number of things which we might do. I have listed these as "might", because we really do not have any meaningful data in Canada dealing with communication skills—the importance of communication skills in the upward mobility of the poor. Nor do we know very much about the methodologies which are available to impart communication skills to the urban poor.

On page 7 of my brief statement, you may see some suggestions which deal with the possibility of bringing in private enterprise to teach some of the things which our educational system does not teach exceedingly well at this moment.

Poverty

I applaud the statement made by the previous witness as to the quality of teaching in a vast majority of urban ghetto schools that I am familiar with. The idea of education vouchers, meaning mobility, is not new. It has been tried in the United States. Bussing black children into white neighbourhoods is really only a twist on that particular suggestion. We may need to give a very careful look at what we laughingly referred to in Canada as educational television. Do we really have such an animal? I doubt it. I think there are some honest efforts at educational television made in certain areas. They are generally disjointed. There is no overall policy dealing with educational television. I recognize the problem, of course, the problem being that education is a provincial responsibility. I recognize the problem but I think we should have to take a look at it anyway and find out what we can do.

Mr. Chairman, I personally like the idea of the Washington design proposal listed on page 8, which is a program devised by curricula experts, pedagogues, psychologists in the United States, and has been tried with considerable success in limited areas in Washington, D.C. It takes a whole school and concentrates the efforts of the school during one whole year on communication skills—reading, writing, communicating generally, all phases of instruction are being geared toward this goal.

Perhaps I should stress that we really have very few data in Canada that are meaningful available tous to know really the importance of communication skills, how we can impart communication skills, and how important communication skills are in the upward mobility of the poor.

It is my personal opinion—shared by some of my colleagues in the Social Science Department, and shared by some of my colleagues in the Humanities Department at Dawson, that if we could, in some way or another, make a concentrated effort to improve these communication skills of which I speak, in the ghetto schools, we could make a very good stab at wiping out ghettos, in a half a generation. In the case of the child of the poor, the working class man himself is an under educated man who may be working in an industrial plant on the lakeshore. His child has a chance to attend a middle class school in a middle class residential area and he is moved into that school at age 6 and we make it easy for him to stay there by supporting his transportation and so on. That child is not going to move back into the ghetto when he gets to 21. He will do his level best to stay in that middle class area. He will find a job more easily in that middle class area and he will not move back into the ghetto area. That is my personal opinion.

Before I started, Senator Croll, the chairman, said "your recommendation is not in our area, but let us hear it, anyway".

We need to find out where we stand in this area of communication skills. We do not know at this particular moment. If we had some research funds to find out, some funds to try out some pilot projects in that area, I think we could come quite close to a solution which I think it is

about time we looked at, from humanitarian reasons. That is all I wish to say. Thank you very much.

Senator Carter: Mr. Chairman, what the witness has just said has raised a number of questions in my mind as to the practicality of his proposition. We have had before us a number of witnesses, mostly Indian but also people in the very low income groups, and they have stressed over and over again the problem that a child from that environment has in adapting himself to the new environment in the middle class school. He has still to get accepted. He is dressed differently, as the witness said, he comes from a home where he does not have the stimuli required to enable him to express himself. He does not read very much, he gets tired when he reads, and even if he succeeds he has a very small vocabulary. Take that child and put him into a new environment-in every case I can remember where this has been done, and has been told to us by the group that has done it, it has not worked out. The child has not been able to get oriented into this other area and he becomes distressed, he drops out or becomes rebellious, and the thing has not worked.

Mr. Sperling: Senator Carter, there are some figures we have available from the United States which show us that the difference in communication skills are sizeably less then than at age 16, 17 and 18. The ghetto child has a facility in this area at age 6, but it is not that noticeable. It is my belief that children will adapt more easily, the younger they are. If you take the children of 14 or 15 years and drop them into a totally different environment, they will find it very difficult to survive—admittedly. However, if you take them at the kindergarten level, they will not notice it. They are not yet boxed into this mental attitude of "my father makes \$12,000 a year and I have this and that, whereas your father makes only \$4,000 and you do not have these things".

At age five and six this does not exist. Admittedly, Senator Carter, there will be a number of them who will be unable to make it, but it is my belief that the vast majority will make it. A percentage—perhaps 10 or 15 per cent—will find it impossible to adapt to the new environment, but the vast preponderance, if they are dropped into the new environment young enough, will be able to adapt.

Senator Carter: At what age, then, would you start this program?

Mr. Sperling: At grade 1 I would start this program.

The Chairman: At what age?

Mr. Sperling: At six years.

Senator Carter: Six years? Our experience has been that that sort of thing should get a start much earlier than that, even down to age two or three.

The Chairman: At three years, yes. I believe we heard that from Dr.—Bryan, was it? Moreover, our educational people are also drafting some plans involving starting it at age three, because if you wait until age five the child is too handicapped.

Senator Pearson: I had experience out west of two young Indian children being in a foster home at a very young age. One of them had seemed to be mentally retarded. He could not speak, although he was a great player. He just sat by himself and he could play with toy bricks and things like that and make things beautifully. But he could not talk. Now he is in kindergarten this year and he has certainly developed. His speech has developed and he is with white children entirely there. His speech has developed and he plays with the other children just as though he never had had any problem with his mental ability.

The Chairman: How old is that child?

Senator Pearson: He is just five or six. He is in kindergarten.

Senator Carter: He was adopted at what age?

Senator Pearson: At the age of three.

Senator Carter: He started at three.

The Chairman: Well, Senator Pearson, he started at three, and it is because he got into the new environment at that age that he developed so well.

Senator Pearson: Exactly. That is exactly what I am saying. You cannot take Indians out of the reserve and leave them to live in the reserve and dump them into the white school and expect them do as well as the little child I have referred to who is living with the white people.

Senator Carter: Mr. Chairman, I cited Indians, out that was probably unwise, because we have had exactly the same experience with white people from the low-income groups. It is not confined to Indians. Indians may be worse because they have a racial problem to adjust to as well. But what we have been told is that these people have a hard time making it and drop out, particularly when they get older and see the other children with money and able to join clubs and able to do things they cannot do because they have not the money to do them, and immediately they form a little group of underprivileged. The longer this goes on the worse they get and they just do not stick it out for very long.

Mr. Sperling: I am sorry, but I must disagree. I believe that the material considerations of the bicycle and the clothes are at age five and six not at all preponderant.

Senator Carter: I am not disagreeing with you on that, but you are going to put that child in there at age six and let him stay until he is 12 or 14 or whatever the school age is, and when he gets up to the age of 12 or 14 and sees his buddies in the same age group being able to go to parties, riding bikes, getting books and wearing better clothes, it immediately creates a psychological problem for him and he begins to see that he is different, and that retards him.

Senator Inman: Mr. Sperling, do children brought up in small towns and villages have that problem? Not in my experience, because I come from a small place.

Senator McGrand: I agree with you, Senator.

Mr. Sperling: Senator Carter, I also believe that there is a certain resistance towards education in the ghetto family. I believe that present-day curricula are somewhat meaningless to ghetto children. They are propounded in a language that is very difficult for the ghetto parent or ghetto child to assimilate with.

We have unfortunately got ourselves in a strap whereby we are teaching things today at my level, which is junior college, C.E.G.E.P., and I sometimes wonder how revelant they are. The relevancy of the subjects we teach, of the language in which we teach the subjects, of the general curricula distribution I would question considerably. As you say, at six years old you do not notice the difference but at 14 it certainly comes out; but at 14 unfortunately, the child has developed an antogonism towards the curriculum which he is being fed. The ghetto child is more concerned with immediate goals and finds it very difficult to tune into the long-range goals of our western European classical education which we still propound to a great degree.

The Chairman: I like your speech, but it should have been delivered to the Board of Directors of Dawson College.

Mr. Sperling: Just recently I spent an hour and half in the office of the Minister of Education, Mr. Guy St-Pierre, doing exactly the same thing as I am doing here this morning

Senator Carter: Mr. Sperling, you made the observation that it was your belief that if your plan was carried out and you got this child from the ghetto into the middle-class school early enough and let him stay there he would never go back to the original environment. What if he gets out of work?

Mr. Sperling: His facility to get a job and his facility to hold a job is going to be better if he comes out of the middle-class school on the lakeshore in Montreal than if he comes out of the ghetto high school in St. Henri. He is already going to have one advantage. There are people out of work who live in middle-class neighbourhoods. It does not necessarily follow that because you are out of work you are immediately relegated to the ghetto. I myself have been out of work and I did not move into a cold-water flat. I somehow managed. I managed because I knew my way around. I think if this ghetto child learns his way around he will not find it necessary to move back into the ghetto.

Senator McGrand: On Monday last we had a witness who said that some families had lived in poverty for three generations and that it would take three generations to get them out of poverty because they had become genetically poor. I do not agree with that thesis. I believe

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it can be done in the lifetime of a young adult. Do I understand that you agree with me?

Mr. Sperling: I agree with you fully, sir.

Senator McGrand: Now I wonder why you like so many others make reference to what is going on in the United States as if they were doing a wonderful job in coping with their problems. I think you could quote other places in the western world that have made progress with this problem of poverty. I say this because in North America you have the widest gap between the well-to-do and the poor that you have in any place in the western world. Therefore I do not think that we should take what is going on in the United States as an axample to follow. Senator Carter brought up the question of the Indian going to school with no bicycle and poor clothing. Perhaps in this connection we should thank the hippies for their contribution to society through their assertion that clothes do not make the man.

The Chairman: I thought the mini-skirt proved that more than anything else.

Senator McGrand: There has been so much emphasis on the affluence of our society—that we live in an affluent society—and this North American idea of affluence. It seems to me that the school is one place where you could teach the essential values of education and of our society.

Mr. Sperling: I believe this is very much in line with my own thinking. I feel that the curricula we have in our schools no longer are meaningful. I do not think the children, especially the poor children, can tune in on the long-range goals of our education because their problems are too immediate. I think in many cases parents think of the teachers who propound these curricula as somewhat frightening, sinister people. I have had a couple of experiences where parents have come in to see me and it took me a considerable time to warm them up. They felt that I was totally removed from any knowledge of what goes on and that I had never been anywhere but in my academic ivory tower. I think this is very much a general feeling among ghetto parents-that the academic establishment at the high school and junior college level proceeds towards goals which are totally alien to them.

The Chairman: And are they not?

Mr. Sperling: They should not be.

The Chairman: I did not say that; I said are they not?

Mr. Sperling: I think there we are making a mistake. Unfortunately they are.

The Chairman: Members of the committee will remember that in the Newstart brief we had in Prince Albert the very same point was made. It was an excellent brief. We had the Minister of Education there too. The point was made in front of him. Everybody seems to be making the point that you are making at the present

time before the committee, and I for one am wondering when did they start making this point and why is it that no one has done anything at all about it? That is what bothers me more than anything else.

Senator Fergusson: Is this theory impressing the educational authorities at all?

Mr. Sperling: I do not believe so. So far as my province is concerned I had a very good hearing from people, and I think perhaps it will, but I think many of the points I made were totally new to them and opened vistas to them that they had never considered. We know how long it takes after the vistas are opened before action is taken. I would say that perhaps something is going to happen in the Province of Quebec. But I am unfamiliar with the educational establishment elsewhere.

The Chairman: You see you are talking now to people who do not have children in school—we have grandchildren in school—so we are not in touch with the educational system at first hand. Yet, we know more about the educational system here than do the parents who should know most about it. Why is that? What is the reason for it? How do you explain that?

Senator Carter: Coming back to the Newstart program, Mr. Chairman, you remember that you raised the question of this poor little girl learning algebra even though she was going to be a beautician. She had to learn algebra to get her grade 10 diploma which would admit her to the school where she could learn to become a beautician. You remember how strongly the Minister and the deputy and the authorities defended that?

The Chairman: Yes.

Senator Carter: And after this was all over I had a private argument with one of the deputies about this in which he said "Dont you think that abstract thinking is important?" This was the exercise in algebra.

Mr. Sperling: Yes. It is very difficult to break through this barrier of classical education. Take the stress on English literature, for example. I do not think that the 12 or 14-year old ghetto child can identify at all with Shakespeare. I would say put them on a bus and send them to Stratford.

The Chairman: The Forum is even better; they know hockey.

Mr. Sperling: The Forum is even better. Right. But unless you have a very highly competent teacher to talk about Macbeth, the average child is not going to be able to identify with it when this stuff gets thrown at them.

Senator Inman: Do you think that the teacher has a great influence on them from the time they are young? I know from experience that teachers can influence a child in thinking and in culture.

Mr. Sperling: Yes. And in the ghetto schools, the teacher is harrassed, is rushed, has too many students in his

class. Our Canadian statistics show that in the middleclass districts, the suburban districts, the teacher-pupil ratio is sizeably smaller than in the ghetto schools.

The Chairman: You are bothering me a little this morning about something. You keep repeating "ghetto schools". That is not a familiar term in this country, and let me say that I know this country very well and so do the others. You people in Montreal use this as though it were a normal term. We did not see any ghettos in Edmundston, Campbellton or St. John. We saw some areas that were not very well developed, and the one we saw in Campbellton was not good, but the reference is not to "ghetto areas". In Ottawa here we talk about lower town and upper town, but they are still not ghetto areas. As far as Toronto is concerned, we do not talk of ghetto areas. It is not a term that is used. I find this coming from Montreal constantly. What is there that gives you people the idea that you have ghetto areas when we call them "underprivileged areas".

Mr. Sperling: We have an area like the Riding of St. Louis which is actually inhabited by recent immigrants. You find in the grade schools children of Ukrainian, Czechoslovak and Hungarian origin whose command of the English language is very limited. You find Greek children, French-Canadian children. First of all, the teachers are not able to cope with the remedial English situation that these children should be exposed to. The grade school teachers have neither the abilities nor the training, nor the time, nor the money to cope with this. Hence the children fall behind right there. They do not absorb the material which they are being given because their command of the English or French language is insufficient. I think the term "ghetto school" can be justified if you think of such areas as St. Henri, Point St. Charles, the St. Louis ward...

The Chairman: In the City of Toronto we have taken in since the war thirty times the number of immigrants you have taken in of Italian, Greek and other origins. We do not find that same situation. I know. I was president of the International Institute for years, and we do not find the same situation. We did find the difficulty of the children learning the language and the mothers suffering the most. The fathers learn the language and the children bring it into the home, but in a few years this problem has completely gone, given three or four years.

**Senator Pearson:** For the particular immigrant child it is gone?

The Chairman: Yes, that is what I am saying. Why is not that true in Montreal?

Mr. Sperling: I think they acquire the verbal skills, and I think they acquire those verbal skills like most good waiters do. A good waiter in Europe will operate with you in English, French, Italian and German, if necessary, and you think that this man speaks fluent English, German, Italian or whatever you want, but it is basically only verbal skills, They have not the writing skills, and

their verbal skills are superficial. Yes, they will learn English. They will learn English by listening to sportscasts, which they identify with if they are Europeans, and they end up with a horrible sort of grammar. This horrible sort of grammar backfires on them later. His supervisor is not going to promote him from this machine tool into a quasi-supervisory job if he cannot write memos properly. Hence, he is limited; he stays as a lathe operator. He may have the mental equipment to go in his job from supervisory to sales, but his communication skill has been so stymied at an early age that he does not ever get the chance even to write a memo.

The Chairman: I know, but, Professor Sperling, everybody cannot be memo writers in the world. Some people just have to be able to do the work and some people can write a memo. Has not our trouble been that we have tried to make everybody an "English professor" of some kind or another?

Mr. Sperling: No, I do not think so.

The Chairman: You were the man who used the term about classical education, that we were over-emphasizing it rather than environmental education.

Mr. Sperling: I think the goals of our present education need to be re-examined, and the means of attaining these goals. You said earlier that we do not want to make everybody a memor writer. It seems though that we are in a service-oriented society, that there are fewer and fewer people running machines and more and more people running service operations—dry cleaners, salesmen, maintenance men, and what-have-you. All these people have to be out there to meet the public, and to meet the public that supervisor will pretty much insist that a person can speak proper grammar. We are turning out enough people to fill these jobs, and the people who are not qualified to fill these jobs end up being unemployed.

The Chairman: It is a point of view, but, really, walk into some of these places, dry cleaners and what-not. In the main, you will find new immigrants there, Greek girls, Italian girls, with not much English, but she is pleasant and nice and knows your name is Sperling when you come in to get your shirts or whatever it is. That is all you expect from her. She is taught how to make out a bill, but if you start a conversation with her, you are gone, but she gets a job, not because she can converse, but because she does her job well and is pleasant. Really, it is not a requirement in that sense.

Mr. Sperling: Would she not be a better member of our society, Senator Croll, if her skills in this area were higher?

The Chairman: Of course, she would, but there would not be a job open for her. That is her difficulty. That job is open for her, and within her limited skills she is prepared to do it. For the others she has competition. She will have to fight you for a job, and you are kind of rough to fight for a job. Leave her in her class and she is doing a job, and is perfectly happy at it.

Mr. Sperling: I think you are putting me on, senator!

The Chairman: We have a hard time, so every now and again we get a fellow who talks our language, and we like to talk about it. Some of you people, give him a hard time, will you?

Senator Fournier: I will. I want to ask a stupid question, but I am serious about it. You mentioned the goal of education is employment and I surely agree with that, but I differ with your views on the girl you mentioned. She can produce the goods and do the job properly. I think that is No. 1. Qualification will come later—to fit into society, language, manners, and so on. The main thing, as far as I am concerned, from talking to the working poor, is to be able to do something which is acceptable to the public, and the rest will come later.

In all the briefs we have received everybody talks about education—it seems to be the favoured subject of everybody—and in your brief, pages 3 and 4 cover much about it. Many people talk about university education for everybody. They say that by 1990 practically everybody will have a university degree. My question is: Who is going to do the work? You cannot get a man with a university degree to...

Mr. Sperling: ... drive a bus.

Senator Fournier: No, and somebody has to do it, to make it easy for others to live. Somebody has to do the washing, to see that the water system operates—all these things. Do you think you are going to get a man to do that who has a university degree? Who is going to cut the pulpwood? Who is going to do the fishing? Who is going to work on the land and provide the food? Are we not overlooking this?

Mr. Sperling: I think this is Utopian. I think the idea that everybody should have a university degree is, to say the least, Utopian. I think it is impractical. I do not think the university plants we have at the present moment, or envisage in the next two decades, could even attempt to handle everybody being turned out of high schools.

However, high schools, having somewhat become a lost cause in the educational change, with the development of junior colleges and CEGEP's in Quebec, may take the place of a great deal of university education. We may attempt, at this level, to repair some of the damage which has been done at the high school level. If we could get the means of doing this then I think we should do it. I disagree with the statement that everybody in 20 years will have a university degree. This, in my view, is not feasible, but I think the junior college education certainly fits into this picture.

The Chairman: It is a step beyond high school.

Mr. Sperling: That is right.

The Chairman: In Ontario there is Seneca College, and that sort of thing.

Mr. Sperling: Yes, and George Brown.

The Chairman: What about the west?

Mr. Sperling: Yes, the west is beginning to establish these types of institutes. Manitoba now has four junior colleges, and British Columbia has five or six.

The Chairman: What about the Maritimes?

Mr. Sperling: No, the Maritimes has not yet any.

Senator Inman: You speak in your brief about TV education.

Mr. Sperling: Yes.

Senator Inman: I have some grandchildren who are university graduates. When they write me a letter I cannot read it very well. The spelling is not good. When I ask them to read me an article I do not think they make a very good job of reading it. I am wondering if TV education is going to enable young people to be good readers, good spellers and good writers?

The Chairman: You are talking about my grandchildren too.

Mr. Sperling: I think the basic skills of reading, writing, and mathematics have to be taught in the classroom. However, educational TV has enormous possibilities in that it can present some of the great heritage of knowledge that we have in an interesting and fascinating way, but perhaps only as an eye-opener. A child who has seen a Shakespeare play well and meaningfully done on TV will pay more attention to Shakespeare when the subject comes up again in the classroom. I think that as an eye opener, and a means of presenting that enormous heritage of knowledge and science that we have, TV is a wonderful medium, but it cannot teach the basic stuff like reading and writing.

Senator Carter: You have spoken a great deal about the curricula in our schools—apparently you do not think much of them, and I do not either—and the goals to which they are directed. In order for a person to get himself out of the poverty situation it seems to me that he must have some sort of income, preferably from employment, and it is going to be more and more difficult as time goes on to create the jobs for the people who will be looking for them. I do not see enough jobs to go around. This means that there will be much leisure time, and persons must be trained to make use of their leisure time.

You have talked about research. This summer we saw some very interesting research being carried out in Prince Albert, which confirms what you say about curricula. But, it seems to me that you do not go far enough. Skill in communications is fine, but it is only one skill, albeit an important one. We all saw the trouble we ran into this morning. The brief before us had been translated into the English language, and I had great difficulty in communicating my questions to the witness. Lack of

communication is prevalent everywhere. It is a basic problem in the world today, and one that we cannot ignore.

Mr. Sperling: That is right.

Senator Carter: If we could communicate with the Russians and the Chinese then many of our problems would disappear. I should like to refer to this research in Alberta which, to my mind, is fundamental. You probably do not know about it. They are only at the beginning now and scratching the surface, but what they have discovered provides a starting point. They have discovered to be successful in life and to get a job and hold it requires proficiency in each of two different types of skill. One type of skill is what they called the saleable skill, which would be a trade, some sort of technical ability, or even a professional skill. The other type of skill is what they called the problem solving skill, which is supposed to be provided by the ordinary grade school curriculum. To be successful they found a person had to be proficient in both types of skill.

If a person was skilled at problem solving but had not a trade skill then he was not a success. If he had a trade skill but had not the problem solving skill then he could not get along with the fellow next to him, or his foreman, and he could not cope with problems at home.

You have stressed skill in communications, and I agree with you that it is important, but without these other skills is it going to make much impact?

Mr. Sperling: Oh yes, there is no question about it. What you refer to as the saleable skills are often referred to as the manual skills, and some of them can be very manual. A saleable skill could be an ability to put pots together on a machine, or to type, or what have you. But, I think there is a third dimension to it, and that third dimension is the ability to communicate.

Let me take as an example a young man who comes out of one of our junior colleges with a degree in mechanical drafting. He may have been at the top of his class. He has a good saleable skill. He is a nice lad. He is not objectionable or long haired. He is a real nice cleancut kid. The first thing he has to do is to attend a job interview, and he is at once in a communicating situation. He has to sell himself in competition with four or five other applicants who have the same skill, the same good looks, and the same connection into the employment office. There is no drafting table where he can demonstrate his ability. He is sitting there in front of an experienced interviewer and has to sell himself. He has to communicate and unless he communicates in the language of the middle class which he attempts to break into, or which he attempts to make his own, he is going to find it very difficult to land that job. He may be the best draftsman in the world, but if he speaks ungrammatically, that man may not hire him.

Senator Carter: But surely this is the problem of skills that should be provided by the regular school system, which you say are not being provided.

Mr. Sperling: They are not being provided, no

Senator Carter: Why is language taught in such a form that children go up through the grades and cannot communicate ordinary ideas?

Mr. Sperling: I can only judge by the results that I get in my classrooms, because skills are not being properly taught. The vocabularies of these children are horrible and limited.

Senator Carter: Well, does the fault lie with the curriculum or the teaching?

Mr. Sperling: The fault is to a great degree with the curriculum. To my mind there is not sufficient emphasis placed on these skills of expressing oneself, of writing logically, sequentially, of absorbing a reasoned argument or being able to absorb by reading.

Senator Carter: I agree with you. We all have grand-children such as Senator Inman's who are sometimes up in grades 10 and 11, with poor spelling and construction. The whole exercise of language teaching must be to improve that. People 50 years ago, such as my generation, learned to write in school. Writing was important and we had copy books. I do not know what has caused the decline. The typewriter is one thing. People say writing is not important now; no one writes longhand, they type.

Another point is that we used to have to write a composition once in a while, expressing our ideas. The old concept of the essay has gone by the board.

Mr. Sperling: That is right.

Senator Carter: I do not know why it has gone by the board; there does not seem to be anything better in its place.

Mr. Sperling: I have students who suggest to me that they will do their projects on tape. That is the latest gig. They do not wish to write any more but to have me listen to their projects on tape. The propositions put forward with respect to their class projects are wide and varied. If they can get away from writing down a sequential, logical pieve of creative thought they will twist and turn and attempt to get away from it, because they feel incapable of doing it. It is not because they do not wish to do it, but because they cannot.

Senator Carter: I spent some time supervising and inspecting shools in Newfoundland. I was very much interested in communication. I used to go about testing it by assembling the top grade, which would be 10 or 11, and draw a line on a blackboard, then an oval sitting on line and a tail coming down below it, two ears, a few whiskers and I had a cat sitting on a fence. I erased that and asked them to tell me how to do this step by step.

They would say you draw a line. I drew the line vertically rather than horizontally. They say no, that is not the way. I say that is what you said, draw a line and I drew the line. I found that to be very effective. After a

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while they got around that and gave me precise instructions in what they were telling me to do and wound up with some very funny pictures on the blackboard. However, it seems to be such a simple exercise and I found this method to be effective and helpful.

The Chairman: Now that you teachers have had your discussion and sort of confession to one another, I will tell you that he graduated and became a senator. He gave it up, so you have something to which to look forward.

With respect to this discussion regarding communicating, we have one man sitting here who just came in, a former Premier of Nova Scotia, an Irish communicator Senator Connolly (Halifax North).

Senator Connolly (Halifax North): I do not hold with junior colleges, Mr. Chairman. It gives them a dignity they do not deserve. We have just abolished one in Halifax and the faster they are all abolished the better off we will all be. Excuse me for being so brutally frank about it.

In any event, I do not see what it has to do with poverty as such, which is the purpose of this gathering and travelling across this country. We are seeking to do something about poverty. Now, since I am in a rebellious mood this morning I can see that education has some small part, perhaps, in the abolition of poverty.

Senator Fergusson: Not only small.

Senator Connolly (Halifax North): But there are thousands of people across this country who lack erudition as we know it and who are not poverty-stricken. Their forefathers were not poverty-stricken, because they were determined not to be. We spend hours of our time determining what we should do for people instead of determining what people should do for themselves. I am not in good shape this morning, as you can tell.

The Chairman: You are in good shape.

Senator Connolly (Halifax North): As far as I am concerned, it becomes a little wearisome. I realize that every representation made to us is well-intentioned; I concede that. I concede further that there are more well-intentioned people in this country than people of bad intentions. However, I listened during the earlier part of this morning to some fine people, altruistic in their ideals and hopelessly impractical in much of their thinking. I wonder if we are not engaging in the same sort of enterprise now.

I have just scanned this memorandum presented by Mr. Sperling and intend to read it carefully. I have a som who is a Bachelor of Science, a Bachelor of Education and has a Master's degree. He cannot spell. In that I am with Mr. Sperling and Senator Carter. With a string of

degrees after his name he cannot spell. It is not altogether the fault of the curriculum or the academic system. I disagree with you on that point.

Our press has gone off the rails; our other media, such as radio and television, are utilizing people who murder the King's English from beginning to end, without apologies. I have not heard the word policeman used for 30 years; he is a cop. What a vulgarism.

Now, it is not the fault of the educational authorities; they are combating influences with which they cannot begin to compete. I do not like to hear them assailed, even though Mr. Sperling is one himself.

I agree with Senator Carter that the abandonment of the old ways of tuition, the simple three R's is a great mistake. So is much of what we are doing in this modern era.

We are going to pass through this. We are never, Mr. Chairman, despite what you and I and others think, going to abolish poverty, never in God's world. Not so long as people are people; not so long as humans retain the fallibility that God Almighty gave them is this ever going to happen. If we took the wealth of this country and shared it equally between all the people, in a very short time those people who are destined and who prefer to live in a state of poverty would find themselves back in that state, while a small proportion of the people would have all that wealth regained and recouped. Excuse me for blasting you on this, but you invited it.

The Chairman: Yes, I did, You know what great respect I have for you. What we are not trying to do is to divide the wealth, but we do hope to divide the opportunity in this country, and that is more important than the wealth.

Senator Connolly (Halifax North): Ah! There is such a difference between the world owing a man a living and owing a man an opportunity to make a living. There is a vast chasm.

The Chairman: This morning when we started I whispered to Mr. Sperling that we are really off the ball here, that this is not quite our dish, and he mentioned this. However, I have changed my mind since he sat here, and I will tell you why. One of the things we are bothered about with the people we have to deal is lack of communication. You have no idea how hard it is for us to try to get over to them and for them to try to get over to us, and we are both trying. However, I had a sincere feeling that before we had finished moving around we had gotten across to them; we were talking the language they understood and were starting to understand them a little better too. There was an improvement in communication. To that extent I think Mr. Sperling has done a service.

If there are no more questions, I will say this to Mr. Sperling. You did communicate this morning. It was

interesting and thought provoking and we thank you for coming. The sage has told you this, and he expresses our feelings pretty well. Thank you very much.

Mr. Sperling: Thank you, senator.

The committee adjourned.

APPENDIX "A"

THE POOR CF 1980

OR

OUR FUTURE WELFARE RECIPIENTS

"It seems to us that poverty is the situation of certain persons who cannot reasonably satisfy their needs as deemed necessary by the standards and values defined by the milieu in which they live."

"3rd Solitude"
Montreal Council of Labour, p. 13

"The prejudices that exist regarding welfare recipients should also be mentioned. These prejudices are shared by the larger part of the population which sees in these disinherited persons social parasites, lazy and irresponsible people."

Brief published by "Les Services de retour à la vie Normale" Department of Family and Social Welfare, Quebec, Summer 1970.

# FOREWORD

This brief, which is mostly a synthesis of elements taken out of various scientific papers, rests on three main postulates:

1.- Everything has been said about poverty as a global phenomenon inherent in our consumers? society. We are aware of its amplitude and debilitating effects. We are used to the presence of the poor, indifferent to the ugliness of the slums that flourish in our cities and always ready to elaborate theories on human misery. Poverty has rapidly become a favourite subject for dissertations and academic wordiness. But all this has made us lose sight of the poor: he whose social horizons are irremediably blocked, he who is waiting while we study and dissert.

With this spirit in mind, we therefore advise the members of this Commission that studies on poverty are sufficiently numerous and extensive in scope and that when regrouped, they offer an almost exhaustive picture of the problems of poverty. They can therefore reveal to persons of goodwill all the gravity of the poverty phenomenon in our milieu. Consequently, it is useless to repeat here its essence and contents.

Among these studies, those that more particularly concern Quebec are regrouped in appendix in the bibliography of the present paper and are available for immediate consultation at the head office of our association.

2.- If all has been said on the global phenomenon of poverty, there are certain areas however that have not attracted the attention of investigators as much as others. One of these is that of children. Underprivileged children do not exist outside the underprivileged family. But for us, who are ashamed of the state of poverty in which a third of the population of Quebec lives, children take on the aspect of a second chance. A second chance to try and abolish poverty at its root through preventive measures. It is with the child that we begin to creat the society of tomorrow. It is the child that we choose to make of him a first-class citizen, or to maintain him outside the circuit, he who is the unfortunate heir of a congenital state of poverty. Our society and our culture are centred on the value of the child: we are a so-called "familialist" society. But in spite of measures aiming at the protection of the family, which are valuable but not sufficient in scope, there are few longterm policies specifically centred on the child.

The protection measures contained in our chili welfare laws are limited, not co-ordinated with each other and often punitive in nature. Children's services are not up-to-date, they lack planning because they depend on several governments and in general comprise an aspect that favours taking the child in charge instead of advocating a philosophy aiming at ameliorating his environment (family and socio-cultural milieu). The preventive aspect is too often disregarded.

3.- Statistics and choc-statements contained in this brief bear on the City of Montreal and at times on two specific Montreal areas: one of lower middle-class and the other an impoverished area.

Montreal is, in fact, a large metropolis where it is generally believed that services of all kinds exist in large numbers and can meet all the needs of the population. If whole districts have no services, or inadequate ones, then it is easy to imagine the situation in the rest of Quebec.

In Montreal, poverty is perhaps felt more acutely that elsewhere due to the fact that extreme misery and fabulous wealth exist side by side. This is the reason why poverty in Montreal is not as silent as elsewhere.

- 1. In the Province of Quebec there are 572,890 1 social aid recipients and dependents. To these can be added about 20% of the working population having a wage-earner as head of family and whose standard of living is at the poverty line or immediately above.
  - "Almost a quarter of the Canadian people and a higher percentage in Nuebec, have little or not at all participated in the higher standard of living. This portion of the population lives in poverty or in conditions very close to poverty."
  - "... more than a third of the population suffers from privation or lives in poverty, and almost half of the population can be classified as economically weak (48.6%) in the metropolitan area." 2
- Quebec occupies the third place among the Canadian provinces as to the number of social aid beneficiaries. Only Newfoundland and Nova Scotia surpass this sad record. It is interesting to compare

 <sup>572,890,</sup> namely 178,614 beneficiaries and 394,176 dependents -Department of Family and Social Welfare, Quebec, August 1970.

Concerning this subject see "3rd Solitude", Montreal Council of Labour, Montreal, 1965, pp. 1-27.

As to welfare recipients, may we also mention that: "...welfare allowances are insufficient to permit the recipient to have the same consumer's habits as when he worked, but at the same time they constitute a source of security inasmuch as they guarantee certain benefits very profitable to families, such as free medical care."

<sup>&</sup>quot;Mémoire des Services de retour à la vie normale", Department of Family and Social Welfare, Quebec, Summer 1970.

Poverty

statistics of Quebec and Ontario in this field: 3

## WELFARE BENEFICIARIES

(excluding certain specific programs)

Heads of families and persons living alone, excluding children and dependents		
In Quebec	228,904 persons 122,842 persons	

- 3.- Quebec is also one of the provinces where unemployment is highest. This affects the underprivileged in two ways:
  - In the first place, jobs that are in conformity with their competence are scarce. It is no use elaborating at length on this point.
  - 2) Secondly, the poor suffer a serious although indirect prejudice due to the rise in the cost of living, of which they are the first to get the counterpart, without, for that matter, being able to benefit from an immediate readjustment of their revenue. This situation is due to the fact that the poor are often small wage-earners who are not protected by labour legislation because they have not yet been grouped into labour associations, 4 or they may be welfare recipients whose allowances have not been adjusted to meet the rise in the cost of living. In this sense, interesting figures are given in appendix to the present brief. (See Appendix I).

<sup>3)</sup> Dominion Bureau of Statistics, Ottawa, 1968-69.

<sup>4)</sup> May we mention here that labour unions in Canada regroup only about 25% of workers (2 out of 8 millions). The same situation exists in Quebec. We note that unions group workers that belong to the "bourgeois" category of workers, but that they are not very much concerned with non-specialized trades (as an example may we mention ununskilled labourers, diswashers, etc.). As to welfare recipients, it does not seem possible to regroup them in the near future into some kind of union. This would appear, however, as a possible way to solve their problems.

- In general, the poor are not organized and do not form part of labour organizations. They are isolated and silent and possess neither the education <sup>5</sup> nor the means necessary to be heard.
- 4. It seems evident that any kind of measure aiming at improving the standard of living of the poor can only help them, since their condition is close to the minimum line of subsistence. Thus, Dr. Alen D. Wade holds with reason that we cannot know whether a massive infusion of money among the underprivileged would not actually put an end to their poverty. We have never honestly tried this experience and our poor have always remained near the minimum line of subsistence. As Dr. Wade suggests, it would be worth trying and after a few years we could scientifically evaluate the results.
  - Poverty is costly for the poor themselves but also for the rest of society. Most evident c.sts are crime, illness, lack of schooling; but there are others: insufficient productivity and losses of production, costs involved in the struggle against social tensions resulting from too manifest inequalities as well as cost of this portion of social security which, in fact, is only a palliative rendered necessary by the absence of more profound solutions. In the United States, it has been estimated that between the ages of 17 and 57, one poor person costs the State up to \$140.000. "7

But perhaps we prefer telling ourselves, with a clear conscience, that there will always be poor among us.

<sup>5)</sup> Thus in Montreal there are 240, 551 adults that are illiterate. To this may we add other statistics taken from "3rd Solitude", op. cit. p. 46, which indicate that 75.43% of the heads of poor families have not attained secondary level schooling. Likewise, may we quote the Brief published by the "Services de Retour à la vie normale", Department of Family and Welfare, summer 1970 which says: "Generally speaking, it has been noted that it is those with the least schooling that suffer more from unemployment. The bulk of our welfare recipients are recruted among this category (75% have less than Grade 5)." pp. 122 et als.

<sup>6)</sup> See the review "Service social", February, 1967.

- 5. However, because it is our opinion that numerous briefs have proven without doubt that poverty continues to exist here (see attached bibliography) and this in spite of the fact that we are among the nations with the highest standard of living in the world, we wish to deal here with one of the less known aspects of this problem: that of CHILDREN. This is what justifies the title of this Brief.
- 6. All measures adopted with respect to children belong to the field of primary prevention. Thus, legislation that promotes health, hygiene and schooling help our young to become adults that are healthy and in a better position to meet competition in our modern societies.
- 7. Measures aiming at the protection of children, however, cannot have short-term effects. At best, it takes about twenty years to see the results of efforts made. This does not make it easy for governments which have to invest large sums of money into such measures with the awareness that the benefits will be reaped by another generation. Our society prefers short-term benefits that impress the public conscience all the more.
- 8. Any policy respecting children, and all the more so policies that concern underprivileged children, must therefore proceed from a generous admixture of benevolence and unselfishness.

# THE EFFECTS OF POVERTY ON CHILDREN

9. Poverty involving lack of money and material goods soon produces the following problems:

<sup>8)</sup> May we mention as a reminder that the majority of juvenile delinquents do not come from very low income groups, but rather from families that are forced to seek public assistance. Delinquency lies in wait for children who are poorly educated, who do not get proper medical care and adequate supervision. See Alice Parizeau, "Rapport à la Commission Prévost sur la délinquence juvénile", July 1970.

- 1) Exiguous, insanitary dwellings lacking essential facilities 9 and ordinarily situated in overpopulated districts that have no green areas or valuable collective equipment:
- Serious decline of physical and mental health 10 due to:
  - a) food that is insufficient in quality and quantity;
  - b) inadequate heating system of lodgings;
  - c) tensions of all sorts related to insecurity (insufficient and agitated sleep in overcrowded lodgings);
  - d) limited access to medical and psychiatric care and/ to drugs;
- 3) No recreational activities due to poverty of the environment and to insufficient family income. In order to create one's own leisure activities or participate in organized ones, a minimum amount of money is needed to obtain the necessary equipment, even the most simple one !
- 4) Low level of schooling: absentia rate and premature abandonment of studies is very frequent among the underprivileged. How can children attend school regularly on empty stomachs, insufficiently clothed for the cold, without having slept well and moreover when they can hardly understand the teacher ...?

<sup>9) 30%</sup> of lodgings in impoverished areas have neither bath nor shower.

<sup>10)</sup> Thus, in a study recently carried out in Montreal, it was proven that out of 28,000 adult welfare recipients, only 3,800 were fit to work. Unfitness for work were generally: poor physical and mental health, various handicaps and low schooling.

- 10. The Study Committee appointed by the Commission on emotional and learning disabilities of children pointed out in the presentation of the report entitled "A MILLION CHILDREN":
  - "It would be naive and not very scientific to leave out of this report a study of the relationship that exists between material poverty, insanitary lodgings, malnutrition, etc., and the appearance of emotional and leaning disabilities among children...

...the factors which presently constitutes a serious but inevitable menace to the health of children are privation and the lack of favourable opportunities common to so many families of underpriviledged milieus that try to bring up their children in spite of a definitely insufficient income..." 11

- 11. A U.S.A. specialist, Dr. Samuel-A. Kirk, states that "the <u>same child</u>, if brought up in a culturally deprived environment may have an I.Q. of 80, whereas in an environment favourable to his development, his I.Q. may attain 120."
- 12. The development of the child brought up in an environment of poverty is emperiled from the first years of his life and the rick is that all the difficulties he meets end in failure, thus inevitably leading him to a situation without outlet.

# CHARACTERISTICS OF THE UNDERPRIVILEGED CHILD 12

13. Due to the deficiencies of his environment, the underprivileged child is therefore deprived of a variety of stimuli - very often on several levels at the same time - as a result of which his general development is handicapped. In accordance with a classification proposed by Chazan (1967), these privations may be regrouped into five categories:

# a) Physical Privations

Lack of satisfaction of bodily needs such as food, heat, drugs, et@.; insanitary living conditions that favour disease and minor infections.

<sup>11) &</sup>quot;A Million Children", p. 33.

<sup>12) &</sup>quot;L'Houre des Petits", Service social du Bon Conseil, Montreal, September, 1969, pp. 14-15.

# b) Sensorial Privations

Lack of adequate stimulation necessary for the development of the senses, lack of variety (form and colour), scarcity of toys, no organization of time and space.

# c) Language Privations

Of all deficiencies noted among underprivileged children, the most marked are situated at the language level: general poverty of vocabulary, simplified syntax, slowness in learning to speak, poor pronunciation, all of which are due to unsatisfactory social contacts and lack of verbal communication between the parents.

# d) Emotional Privations

Lack of attention from parents, incomplete families (high separation rate, desertion of one of the spouses), poor relations between the parents, emotional insecurity due to frequent moving, etc.

# e) Social and Cultural Privations

Ideas, attitudes and behaviour which are the result of a "poverty culture" do not promote the motivation, ambition and aspirations necessary for success.

It is therefore easy to suppose that stimulations in such environments are poorer and less ordained than among the middle classes; and that their effect on the development of the learning potential is lessened. The underprivileged child is no longer the child with less capacities, but one that is understimulated on account of the physical, psychological and socio-cultural characteristics of his environment.

### FACTS AND FIGURES

14. The facts and figures that follow are not exhaustive but reveal a scandalous situation. These figures all come from impoverished areas of Montreal where was concentrated in 1965 the greater part of those living in a state of absolute destitution, poverty or privation, that is 38% of the total population of Montreal (according to a study of the sociologist Emile Gosselin).

15. A report prepared by a group of doctors of the St-Jacques district, on 311 Grade I children attending seven (7) schools of an impoverished area of Montreal from September to December 1969, reveals the following figures:

# "MEDICAL REPORT ON 311 CHILDREN" 13

300	1 * 7 1	W. 2
105	children	Malnutrition
97	children	Retarded growth (weight and height)
84	children	Psycho-motor retardation
1.53	children	Emotional problems
48	children	Eyesight problems
18	children	Strabism

16. As some suggest, it might be better not to be born at all?

"16 of the 21 districts where the death rate is highest are in improverished areas. If the infantile death rate were not related to the socio-economical status of the population, the infantile death rate would not be higher in improverished areas than elsewhere." 14

DEA	TH RATE FOR 1,000 LIVE (less than 1 year)	BIRTHS	
IMPOVERISHED AREA	MIDDLE CLASS DISTRICT	IN IMPOVERISHED AREA	+
35.1/1,000	14.8/1,000	twice as high	

<sup>13)</sup> Dr. Thérèse Hanfield, District Sanitaire St-Jacques, Montréal, janvier 1970.

<sup>14) &</sup>quot;Opération: Rénovation Sociale", Conscil des Oeuvres de Montréal, Décembre 1966.

- 17. In Montreal there are 240,551 15 illiterate adults living for the most part in culturally deprived areas. This fact, as well as the low-schooling level of the other parents, accounts for the poor quality of the speech of these children in these areas. In a speach therapy evaluation made within the framework of a study implying 4-year old children living in an underleveloped milieu, Mme Louise Codorre concludes that an overall speech retardation of at least one year (1 year) was noted among children taking part in the programme 1 Heure des Petits. 16
  - "School failure is due to the fact that the child coming from an impoverished district does not develop and make maximum use of his talents, is not easily integrated in the school milieu, and is unable, either at school or in adult society, to fill his place, assume his respansibilities, and fulfil the role that society expects of him." 17

<sup>15)</sup> Study made at the C.S.C.M., Montreal 1969.

<sup>16) &</sup>quot;L'Heure des Petits", op. cit., p. 54

<sup>17)</sup> Charles Caouette, "La prévention des échecs scolaires dans les milieux défavorisés". L'Enfant Exceptionnel, vol. II, pp. 9-16, Montréal 1968.

IMPOVERISHED AREA MII	DDLE CLASS DISTRICT	IN IMPOVERISHED
1) Repeaters (in general)	outoo storito.	AREA
40%	20%	
40%	20%	twice as many *
2) Repeaters - 1st grade only 15%	5%	3 times as many *
3) Retardation of children repeating 1st year (7 to 10 ye	ears) 3.1%	3 times as many *
4) I.Q. less than 80 19.6%	6.0%	3 times as many
5) Absenteeism - more than 21 day	rs	
15 to 20%	4 to 6%	3 times as many *
6) "Scolaptitude" Test performed the C.S.C.M. (9 categories of children were selected ranging from the least to the most apt		
Weakest groups (1-2-3-4-).	Weakest groups (1-2-3-4)	
61.1%	23.2%	3 times as many *
7) Promotions in Grade I (C.S.C.M Total % of promotions in Grade		90.47%
80.41%	96.11%	*
8) No. of repeaters in Grade I/ov	er % of total enrolment	t at CSCM in Grade I
16.22% repeaters over/ 7.90% enrolments	3.91% repeaters	s over/ 3 times as many *
9) Speech ability (4 classes rang from the most successful to the weakest)		
ОК В С D ОК 30% 36% 31%	A B C D 73% 15% 3% 7%	*

<sup>\* 18) &</sup>quot;Opération: rénovation Sociale" op. cit. and statistics of the CSCM (academic year 1969-70) - See also: Working Paper, "L'Ecole en Milieu Défavorisé", Service des Etudes, Division des Services Spéciaux, CECM, Montreal, September, 1969. Paper prepared by Mr. Claude Hébert.

## 18. Leisure Activities: a luxury

The underdeveloped areas are usually without green areas, dull and colourless, and it takes more than one demonstration to obtain mini-parks, where there will be no grass or trees but a few swings, well fastened to the hot pavement. 19

Because their schools are older than those of other districts, they are usually without a gymnasium, and often without a playground. To develop "normally", the child is confined to exiguous lodgings, without air or light, or to the sidewalk where noise and pullution prevail.

19)	SAMPLE BUDGET OF A LOW-INCOME FAMILY (\$2915)	
I TEMS	Distribution in \$ of expenses of 233 families	0.000
Food Lodging Clothing Transportation Life insurance & Payment of debts Medical care Drugs Smoking expenses Recreational act Other [furniture	25.45 5.89 17.24 10.31 ivities 4.33	44% 70% 26% 8% 35% 8% 35% 8% 27 88** 2% 7% 3% 1%
TOTAL EXPENSES INCOME DEFICIT	\$331.12 \$242.94 \$88.18	.00%

This sample budget of the "average family" has been made after an inquiry of 233 underprivileged families of the region of St-Jérôme, by a group of animators: with an average income and three children, the family runs into a debt of \$90 each month.

# 19. JUVENILE DELINQUENCY

2

For the 10 districts where the delinquency rate is the highest, eight are impoverished areas. Among the delinquents, there are 50% whose schooling does not go beyong the elementary level, whereas only 17% of them are of elementary school age.

<sup>20)</sup> Opération: Renovation Sociale, p.59.

# "DISTRIBUTION OF YOUNG DELINQUENTS BY DISTRICTS" 21

IMPOVERISHED AREA	MIDDLE-CLASS DISTRICT IMPOVERISHED AREA
(1966) 41.8 (per thousand)	(1966) 5.6 (per thousand) 7 times more

- 20. In addition to the above-mentioned problems specifically related to the situation of children in uder-developed areas, there is the difficulty of resolving these problems otherwise than by removing the child from his family or social milieu. The Province of Quebec is presently foremost in this field.
- 21. The population of school-age children in Quebec is presently 1,575,00. 22 Of these, it is estimated that 356,000 are handicapped, that is, 22.6%. Of these, approximately 41,541 23 are placed in institutions or foster-homes. The last number, if compared to statistics of Canada and Ontario, is food for thought. The number of children placed in the Province of Quebec 24 represents:
  - a) almost half of all child placements in Canada,
  - b) and twice the number of child placements in Ontario.

Last year, the number of children placed in the Province of Quebec increased by about 14%. <sup>25</sup> Moreover, the sums spent to this end are astronomical: for 1970-71 they amount to \$104,268,000.00. <sup>26</sup>

<sup>21)</sup> Idem, p. 57

<sup>22)</sup> Family and Social Welfare Department, Quebec, Summer 1970.

<sup>23) 41,541</sup> children, that is, 26,000 children placed in foster homes and 15,541 in institutions. Family and Social Welfare Department, Quebec, Summer 1970.

<sup>24)</sup> Ibidem

<sup>25)</sup> We underline here the fact that it is difficult, if not impossible, to obtain actual statistics as much on the placement of children as on the financial situation and social standing of the parents.

<sup>26)</sup> It is to be noted that if the placing of a child in a foster-home costs between \$1,000 and \$1,500, it is nevertheless extremely difficult, in the present situation, to obtain a sum of \$500 to \$600 to keep the child at home, with the help, for example, of domestic helpers' services. In Montreal, there are only about a hundred domestic helpers to serve a population of 2 and one half millions.

#### SERVICES FOR CHILDREN

22. The services and social measures which should meet the various needs of children, and especially underprivileged children are as poor as the poor themselves. The existence of a Federal and Provincial system partly explains the duplication of services in certain sectors and the lack of appropriate measures in others. Such is the case with our system of family allowances which is under the control of both the Federal and Provincial Governments. The main purpose of such a system is to combat poverty, by reducing family expenses and income differentials. Now this system is not adequate, seeing it favours mostly high-income families rather than low-income ones. 27 To sum up, what strikes us here could be put in this way: insufficient services, inadequate professional resources, out-of-date equipment, social mentality (and consequently legislation) that is of punitive rather than preventive character.

#### 23. Legislation and social mentality

The paternalistic mentality prevalent in our Civil Code is expressed in article 73 of the Code Napoléon: it implies that in marriage authority is exercised by the father as head of the family.

Moreover the Civil Code does not make it possible for the Courts to declare the downfall of paternal authority. Traditional philosophy indeed requires that parents assume all responsibilities towards their children and on the other hand society respects the inviolability of their "right of authority" even if it should prove harmful to the child!

"If we consider for each child the percentage of the cost of vital needs covered, we are aware that the present system (Provincial and Federal) covers (and this because of the Federal tax-exemption system which favours high-income families):

- a) for a family with an income of \$2,100, 32.2% of the cost of the basic needs of the first child and 40.2% of the cost of the 5th child;
- b) for an income of \$14,300, 48.2% of the cost of basic needs of the 1st child and 57.1% of those of the 5th child." (Taken from "Consultation Populaire", Conseil du développement social du Montréal Métropolitain, août 1970, p. 8).
- We add here a commentary of "3rd Solitude":

  "In the Province of Quebec persons living alone form 6.8% of
  the population but make up 15% of the underprivileged
  population of the Province." Op. cit., p.26 It is quite
  evident that family allowances do not help persons living
  alone or households without dependents.
- 28) Jean Pineau, "L'autorité dans la famille" in la "Famille", a review Les Cahiers de Droit, vol. VII, No. 2, 1965-66, p. 213.

<sup>27)</sup> Cf White paper, p. 36, table 15.

24. Our laws concerning the child are based on a spirit of repression rather than on a real concern to protect the child.

Our judicial system:

- a) presumes that children of 7 to 14 years of age perfectly understand the nature and consequences of their conduct and can be judged and condemned by a Court. "In the Western World our country is among the few that still recognize the responsibility of such young children." 29
- b) is more tolerant towards adults than certain children and adolescents who are placed in institutions for many years on account of the parents' misconduct. 30
- c) allows the Welfare Courts to interpret both the Law concerning young delinquents and that for the protection of youth. The number of minors judged by virtue of the first is larger than that of minors placed under the protection of the Court. Thus the latter plays the rôle of a Juvenile Court rather than that of a body for the protection and treatment of the young, as well as the prevention of delinquency among them."
- 25. Our social mentality does not incite us to be really concerned about these children, be they delinquents, poor, handicapped or underprivileged in any way. It is easier to place the child in an institution or foster-home than to attempt to leave him with his family and show him how to live in society.

#### PROFESSIONAL RESOURCES

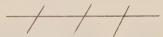
26. The lack of professional resources is evident from the following facts:

<sup>29)</sup> Alice Parizeau, Report presented to the Prévost Commission on juvenile delinquency, Montreal 1970.

<sup>30)</sup> In some cases, it is deemed preferable to take the child away from his family in virtue of the Law for the protection of youth rather than condemn the responsible parent (e.g. case on incest) because a condemnation and a police record may deprive the father of his job and thereby of the family bread-winner.

<sup>31)</sup> Alice Parizeau, op. cit.

- a) Health services are insufficient. The different levels of government: Federal, Provincial and Municipal do not allow sufficient co-ordination for the population to receive the service needed.
- b) Psychiatric services for children and adolescents are inaccessible because too scarce and not well organized:
  - psychiatric evaluation services cannot be obtained before a delay of three months (3 months);
  - treatment services are non-existent or nearly so.



c) As regards rehabilitation of delinquents we have very little to offer: there is an average of one (1) person to supervise 150 foster-homes responsible to the Court; likewise a sole officer evaluates 1,000 foster-homes a year, and visits for the rehabilitation of young delinquents are made but once a year in Montreal. 32



- d) In culturally deprived areas, 52% of the teachers are under 25 years of age (compared to 36% in a middle-class district). Thus the most experienced teachers with the necessary maturity to handle problem situations do not form part of the school environment in these impoverished districts.
- e) Among the teaching staff of impoverished areas there are few men, a fact which does not help the identification of the child with a masculine personality, and aggravates the matriarchal situation existing in the homes of these children. 33
- f) There is a scarcity of psychologists, vocational counsellors, social workers and specialists in speech therapy in impoverished areas. This is due to the small number of students attending these faculties or schools and the higher salaries offered them in a more promising working environment.

<sup>32)</sup> In the rest of the Province, the situation is still worse than in Montreal.

<sup>33)</sup> This fact is confirmed by a study prepared by the Home Welfare Service of the city of Montreal in 1969-70. It is to be noted that of the 28,000 welfare cases registered, 6,000 of them are mothers who are heads of families.

#### MATERIAL RESOURCES

- 27. On analysis, a few significant facts stand out:
  - Λ) There are only three health clinics (offering a quite complete range of services) within the seven selected areas determined by "Opération: Rénovation sociale".
  - B) In these areas there is no psychiatric clinic available for adults or children and in others, there are still delays of 3 to 6 months before treatment starts, in spite of the division in sectors.
  - C) There are only four district agencies in the underdeveloped areas of Montreal.
  - D) Public nursery schools are numerous and readily available in a well-to-do milieu but very limited in impoverished areas in Montreal.
  - E) In the Province of Quebec there is only one day nursery subsidized by the Federal Government, whereas there are 152 in Ontario. 34 It is useless to say that day nurseries are non-existent in impoverished areas, precisely where mothers are overburdened with children, as well as by financial, material and emotional problems.
  - F) In underprivileged areas "schools are older, uglier, dirtier and more poorly equipped than elsewhere." 35
  - G) There is a lack of equipment for recreation, of space for outdoor games, of sports equipment, swimming pools, community centres and parks.
- What must we conclude from all this? That the situation is so urgent it calls for massive infusion of money (in all kinds of services) and the extensive participation of professionals and specialists whose chief concern is children's problems. As we said previously, "the problems of underprivileged children are intrinsically related to those of the underprivileged family."

  As much can be said about the solutions these problems call for. Should we fail to find adequate solutions rapidly, we run the risk to witness, in the year 1980, more wide-spread misery among the poor, a misery that could be more dramatic in its after-effects than the one now existing in our large cities, our towns and rural districts. Let us now begin to implement "the just society" of 1980.

<sup>34)</sup> Family and Social Servides, Ottawa 1969.

<sup>35)</sup> La Presse, June 3 1970, p. 5.

## RECOMMENDATIONS

#### In a general manner:

- 1.- That governments tackle the problem of poverty in a more aggressive, more deliberate and more concerted manner.
- 2.- That a minimum annual income be guaranteed to families and persons living alone, as a basic measure to fight poverty and concurrently with this measure that other formulas for giving supplemental assistance be implemented. That an adjustment of the revenue to the movement of the cost of living be automatic.
- 3.- That a global job creating policy be formulated.
- 4.- Besides considering the problem as a whole, that we think of the poor themselves:
  - a) by fighting the prejudices currently existing whereby the poor are "lazy people or social parasites";
  - b) by encouraging participation of the poor in measures and decision taking proceedings that concern them;
  - c) by having more confidence in the poor and by introducing more flexible and simpler regulations in the welfare measures, so that they could be more autonomous.

#### In a more particular way:

5.- That more substantial investments be made in underdeveloped areas and specifically in fields directly affecting the child.

That the same opportunities be given to underprivileged children as to others, especially at the following levels:

health

schooling

lodging

leisure activities

- 6.- That services for psychiatric treatment of children normally follow diagnostic services.
- 7.- Thus, that the establishment of day-nurseries in impoverished areas be encourages, taking care to implement a programme which will make up for privations of children at the physical, linguistic and other levels.

- 8.- That everything be done to begin work as soon as possible on dwelling-renovation projects.
- 9.- That nursery schools and kindergardens be widely established in culturally deprived areas.
- 10.- That an educational programme for parents be established in daynurseries, nursery schools and kindergardens.
- 11.- That domestic helpers be available in larger numbers to relieve overburdened mothers, thus avoiding child placements and repeated admissions of mother into hospitals.

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### TEN-YEAR PERIOD

PROVINCE OF QUEBEC	PROVINCE OF ONTARIO
1) NUMBER OF WELFARE RECIPIENTS  1958-59  111,039 (1960-61) 228,904  Increase: "206%"	1) NUMBER OF WELFARE RECIPIENTS  1958-59 1968-69  68,471 122,842  Increase: "180%"
2) NUMBER OF WELFARE RECIPIENTS PER 1,000 IN HAB.  22 (1960-61) 39  Quebec occupies the 3rd place after NewFoundland and Prince-Edward-Island	2) NUMBER OF WELFARE RECIPIENTS FER 1,000
3) MONTHLY DISBURSEMENTS PER WELFARE RECIPIENT \$65.34 (1960-61) \$86.64  % of change over the period  32.6%  average % of change per year  4.1%	3) MONTHLY DISBURSEMENTS PER WELFARE RECIPIENT \$58.99 \$104.40  ### Good Change over the period  74.6%  average % of change per year  8.3%
4) "PER CAPITA" EXPENSE IN FINANCIAL ASSISTANCE \$13.90 \$40.15	4) "PER CAPITA" EXPENSE IN FINANCIAL  \$8.14 \$21.07
5) WEEKLY AVERAGE WAGES \$67.80 \$107.92	5) WEEKLY AVERAGE WAGES \$73.21 \$113.52
6) AVERAGE % INCREASE IN WAGES  59.2%  (% increase of financial benefits over 10 years: see No. 3)  32.6%	6) AVERAGE % INCREASE IN WAGES  55.1%  (% increase of financial benefits over 10 years: see No.3)  74.6%

7) Unemployed in Quebec: JUNE 1969: 7.1% JUNE 1970: 8.6%	
a) AMOUNTS SPENT <u>DI QUEBEC</u> for FINANCIAL ASSISTANCE (in thousands of 3)	8) AMOUNTS SPENT FOR FINANCIAL ASSISTANCE
1958-59 869.176.9) increase of 342.5%	\$ 48,470.0 ) \$153,903.0 ) 319%

		MONTREAL	METROPOLITAN	8
BENEFIC	CIARIES			TOTAL POPULATION
1960-61 1961-62 1962-63 1963-64 1964-65 1965-66	9,349 14,060 13,672 14,230 17,276 18,078			2,109,509
1966-67 1967-68 1968-69	18,424 24,790 37,023			2,672,818
* Sources	s - Annuar	y of Canad	la	

#### We can conclude that:

 Financial assistance paid by the Quebec Government has increased considerably and this is due to the phenomenal increase in the number of social welfare recipients (see 1)

#### On a basis of 100

increase in the amounts paid 342.5% 319% increase in the number of welfare recipients: 206% 180%

The level of allowances by social welfare recipients has not increased much during the same period in Quebec:

4.1% average increase per year 8.3% 32.6% for the period 74.6%

3. The standard cost of living, on the constant dollar basis (1960) has increased in Canada at the same %, approximately 24%.

APPENDIX I.

- 4. Two factors are against the social welfare recipients:
  - If the increase of their allowances follow more or less the cost of living, it never allows them to better their situation, and keeps them at the basic survival level. Furthermore, delays in granting increases in welfare allowances cause them a prejudice which they never can surmount.
  - 2) The more rapidly increasing salaries (59.2% against 32.6% for welfare allowances) clearly is very much to their disfavour by accentuating the spread between them and the rest of the population. This automatically leads to increases in the cost of living. They are therefore doubly handicapped as a result of these two economic factors.

#### APPENDIX II

# "UNEMPLOYMENT IN PERCENTAGE OF WORKING POPULATION IN QUEBEC"

Brief of "les Services de retour à la vie normale" Family and Social Welfare Dept., Quebec, summer 1970.

	(1)		(2)	
Age group	1966 (year)	1967 (year)	1968 (March)	1969 (March)
14 - 19	9.4	11.1	15.1	16.4
20 - 24	5.0	6.0	11.6	9.7
25 - 44	3.6	3.9	7.5	7.0
45 - 64	4.2	4.4	7.3	7.7
65 and over	4.9	6.2	6.5	6.3
Total	4.7	5.3	8.8	8.5

Sources: (1) Revue statistique du Québec 1968.

(2) D.B.S. "Manpower", 71-001F.

APPENDIX TIT

#### MINIMUM INCOME ESSENTIAL

#### TO BARE SUBSISTENCE

 Extract from "Les inégalités socio-économiques et la pauvreté", C.B.E.Q., Lévis 1965, pp. 45-46.

"Thus, according to our definitions, a per capita income below \$850.00 is clearly insufficient to provide for basic needs as defined by the families; a per capita income varying from \$850.00 to \$950.00 barely covers these needs, leaving nothing for the future. A per capita income of \$950.00 to \$1,200.00 allows for future planning but it constitutes a "hesitation zone" where some limit themselves to strict necessities while others resolutely undertake plans and act accordingly. A per capita income above \$1,200.00 may allow for a certain measure of comfort".

#### PER CAPITA INCOME

\$850.00 clearly insufficient	
\$850.00 to \$950.00 just enough to cover basic	needs
\$950.00 to \$1,200.00 border line	
\$1,200.00 and over some comfort	

Poverty

#### APPENDIX III.

2) Extract from a brief of the Economic Council of Canada (1968)

l person living alone	 \$1,800.00
2 persons	 \$3,000.00
3 persons	 \$3,600.00
4 persons	 \$4,200.00
5 persons	 \$4,800.00

 Extract from "Budgeting for Basic Needs", Montreal Diet Dispensary, 1970.

#### "MINIMUM BUDGET PER FAMILY"

Randla at 0	U	D-miles of 1	Pamiler of E
	Family of 3 child. 2 yrs.	Family of 4 children 4-6 yrs	children 6-10-12
Month \$224.73 net	\$271.72 net	\$291.06 net	\$339.36 net
Year \$2, 96.76	\$3,260.64	\$3,492.72	\$4,072.32

4) "It is hard to believe that a Metropolitain area where the average yearly family income is \$6,046.00 should have such a large number of poor almost ½ of the population can be classified as underprivileged in the Metropolitain area.

"3rd Solitude"

APPENDIX IV \*

# 1) COMPARISON BETWEEN MONTREAL AND VARIOUS REGIONS OF QUEBEC AS TO NO. OF CHILDREN PLACED

#### (PER 1,000 OF POPULATION)

Gaspé Peninsula 10.2 -Three-Rivers: 7 Region: North Western Region: 8.6 -Eastern Townships: 5.4 Ottawa Vallev: 7.4 -Quebec: 4.2 Saguenay, Lake St John Region: 7.3 -Montreal: . 3.4

# 2) NO. OF PLACED CHILDREN IN INSTITUTIONS (PER 1,000 SCHOOL AGE CHILDREN)

#### IN VARIOUS ADMINISTRATIVE REGIONS OF QUEBEC

- (3) Quebec: 13.7 -(2) Saguenay Lake 4.2 St John: (1) Lower St Law-(6) Montreal: 11.3 -4.2 rence (5) Eastern 8.4 -(7) Ottawa Valley 3.6 Townships (8) North Western (4) Three Rivers: 8.3 0.9 Region (9) North Shore and (10) New Quebec: 5.3
- (9) North Shore and (10) New Quebec: 5.3

Average for the Province: 9.2

<sup>\*</sup> Statistics of Family and Social Welfare Department, summer 1970, Quebec.

#### APPENDIX V

#### RECOMMENDATIONS OF SEEBOHM REPORT

(Accessibility and participation)

The Seebohm Report contains 206 major recommendations for the reorganization of Personal Social Services in England. We extract recommendations concerning services for children:

- (7) Social services for children should be universal, that is, accessible to all families. All types of suitable assistance should be accessible to each child and family who need this help, and rigid classifications should be abolished.
- (8) A precise responsibility, that may not be eluded, towards all children requiring special care should be entrusted to a well-specific local authority. (local authority committee)

#### CHILDREN UNDER FIVE YEARS OF AGE:

- 11) We must have a clear and precise national policy upheld by adequate services, for the social care of young children whose mother is absent from home for part of the day and therefore unable to give them proper care.
- 12) No mother who prefers to take care of her young children herself should be obliged to work outside the home for the sole reason that the family income is inadequate.
- 19) The local health and social welfare offices should co-operate in an effort to trace families who do not (or very little) avail themselves of services for young children the latter should be the main concern of the social welfare office.

#### UNMARRIED MOTHERS:

(21) There should be a realistic alternative for unmarried mothers who refuse the assistance of religious or confessional organizations.

#### CHILDREN BEFORE THE COURTS:

- (42) c) The Social Service Department should be responsible for personal social services before the Courts towards all children under 17 years of age.
- (43) A larger number of psychiatric services are urgently needed for all seriously disturbed adolescents.

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APPENDIX "B"

MEMORANDUM

presented by

GLAY SPERLING

CHAIRMAN, DEPARTMENT OF COMMUNICATIONS

DAWSON COLLEGE, MONTREAL 215

Two quotations will serve to place this brief memorandum into perspective:

" Marginal low income groups will exist for a long time; they will increase through rural-urban migration and high birth-rates; they cannot be regarded as temporary or as if they were about to become conventional middle-class strata" (1)

and

"... many live in congested city areas, surrounded by social disorganization, poverty and despair, inadequate housing, surrounded by other disadvantaged people....." (2)

Much of the problem of the poor is that there is
virtually no tangency between people in their circumstances and the middle-class strata. Contact with
government is through such organisms as Canada Manpower,
Social Security agencies, the police and the courts.
Contact with merchants is on the level of the local
store-keeper, himself a member of the ghetto group, or
with the impersonal supermarket or discount-house.

Medical services are generally on the equally impersonal level of the emergency ward or the outpatients clinic of the large hospital. Schooling, certainly at the elementary level and frequently at the secondary level, provides little or no interaction with the middle-class group. The narrowness of job mobility of the low income group further adds to restrict the group's contact with the middle class.

In some instances this tragic segregation of the urban poor is reinforced by a tendency of the immigrant, whether he be from abroad or from the rural hinterland, to clique together and accentuate religious, ethnic and other hostilities.

Indigenous participation in community projects is

lethargic and spotty at best. Such pressures as do

exist, for better housing, better schools, better oportunities, are mostly stimulated and sustained by groups
which have come in from outside (such as the CYC in

St-Henri and the Panthers in Halifax.)

Why is this so?

Professor Brigance has said:

"It is almost literally true today that good speech has replaced the gun and the ax as an instrument of survival." (3)

Oral communication style is undoubtedly one critical element in the upward mobility of a group or individual (4). But because the poor generally lack the skills to communicate meaningfully with the socio-economic class which controls jobs and advancement, their job-seeking and social integration efforts often fail.

with the problems of the poor are largely designed to train the unemployed in the job skills demanded by the employment market. Bearing in mind that the '60's have seen a substantial shift from goods-producing industries to service industries, it should be realized that "service" implies interpersonal contact. More than that: person-to-person contact on the job, on any job, becomes increasingly more important. The ability to read and write, to speak and to listen, to communicate and to understand has become, in the '70's an essential ingredient in the vocational success.

However, few educational programmes, if any, are directed to this problem. Curricula - - planned by conscientious, competent and well-meaning educators - - disseminate middle-class concepts in middle-class language.

President Nixon, in a recent Message to Congress on Education points out that the greatest educational need is to determine why schools have not appreciably improved the learning capacity of children of the poor.

Nixon's message deals with the so-called "Right to Read" program designed to improve literacy and reading skills.

(5).

It is obviously unrealistic to emphasize abstract concepts to the culturally and economically deprived student. He is often preoccupied with a number of immediate, basic, and, perforce, short-range needs and he finds it difficult and time-wasting to tune in on the long-range goals of middle-class education. A victim of his environment, the ghetto child begins his school career psychologically, socially and physically disadvantaged. More often than not he is handicapped by limited verbal skills, and a stunted desire towards achievement (6). Moreover, statistics show that the ghetto group's verbal skills, roughly 8% below median in first grade, have dropped to almost 20% below median by the time the child has completed gradell (7).

Many ghetto pupils see teachers in our school systems as somewhat unreal and the ghetto parent often regards teachers as hostile and intimidating, using books,

attitudes, and propagating concepts of other days and other cultures.

If the culturally and economically deprived student fails to understand the middle-class objectives because the language is alien to him or because he lacks the vocabulary to grasp the meanings or because he has not acquired the ability to follow a logical progression, the gap between the groups actually widens.

Assuming that the student graduates from a Technical College, from a CEGEP, from a re-training institute with a good skill to operate a machine or a tool which may range from the lathe or drafting pencil to the ubiquitous data-processing machine of varied sophistication.

Clutching his hard-earned certificate of graduation, he turns up for a job interview and, lo and behold, what does he find? No drafting board to demonstrate his competence or welding rig to show off what he has learned. He finds himself, instead, in a situation where his communication skill is critical.

Rensis Likert, the proponent of the "Human Assets Accounting System", which is rapidly gaining acceptance with personnel managers here and in the U.S.A., lists motor skills and communication skills as equally important factors in the hiring process. (8)

Yet publicly-funded poverty programmes do not emphasize communication training.

It will be asked: How much does this new machine operator really need communication skills? Firstly, as a job candidate, he is involved in a persuasive situation where he is trying to convince the interviewer to hire him. He is, in fact, selling himself. The onus is on the applicant to master the major communication styles of the middle-class stratum he seeks to make his own.

Secondly, as one personnel manager put it:

"I am hiring a technical skill as a short-term objective. Yes, I look for competent technicians. But in the long-range view I want to hire people I can eventually promote. First, perhaps, to supervisory jobs involving the writing of reports and analysis of problems. Then, once he knows Production maybe we want to bring him in the office on Scheduling or Material Control where he will have to deal with Engineering in their own language. Perhaps he can fit into Sales where we require production experience. So I must look for latent skills and abilities beyond the job he is applying for now"

What Martin Weisbord (8) calls the "critical gap in understanding between poor and Middle-class" is possibly due to the fact that the intellectual content of our Canadian educational system is largely drawn from the scholarly and tradition of Western Europe and is taught

in language and symbols which are alien to the ghetto
student

For political, economic, social and humanitarian reasons we should now, belatedly, find the answers to three questions:

- 1) How important are communication skills in jobseeking, job-holding and in the upward-movement of the urban poor?
  - 2) To what extent do the children of the urban poor lack the communications skills?
- 3) What methodologies are available to teach the child or adult raised in an urban slum the communication skills needed?.

We do not have the answers!

Once we have established the facts and have obtained the pertinent data we may need to do some unorthodox things, using all means - not just the unsuccessful routine ones - in a concerted effort to lift the poor into the mainstream of Canadian life.

We may, for example, need to bring in private enterprise to teach such subjects as effective speaking and speed-reading in our school systems.

We may consider giving "education vouchers" to the children of the urban poor. Such vouchers could be cashed

22-10-1970

in at any school which the pupil and his parents select (9). Or we may find another twist to the "open enrollment policy". People live and bring up their children in urban slums because they have no choice. By giving poor parents the opportunity to choose the schools for their youngsters, thereby acquiring mobility we will give the parents for the first time some options.

We must also make it clear to the parents and students that the rewards of communication effectiveness are to be prized more than the comfort to resist it.

We may have to take a long hard look at "Educational Television" and ask ourselves: What have we really got by way of ETV and are we using television to anywhere approaching its potential for education? Perhaps every holder of a television broadcast licence should in principle reserve a number of hours per week for educational programming appropriate to the area he covers. And this would all be Canadian Content too!

We may, in certain areas be able to adopt the socalled "Washington Design"(9) and put an end to the current dead-end practice of relying on remedial efforts after retardation has already taken its tole. This design uses one entire "reading mobilization" year where the whole curriculum throughout a school, is geared to competence in reading and reading comprehension.

Moreover, all other activities during the school year including drama/theatre, clubs, student activities, even athletics stress the basic components of reading, precise writing and speech.

We may need to instruct our regulatory agency in the broadcast field to insist that, particularly producers in charge of sports programming clean up the english used by broadcasters and experts. A large segment of youth identifies with sports heroes but few employment managers will hire the young jobseeker who has adopted the particularly massacred english of:
"He boots the ball real good" or "he flied to right".

We can wipe out slums in a decade by now starting to teach the poor the communication skills they need to break out of their tragic circumstance.

### RECOMMENDATION

To allocate sufficient funds to qualified Canadian research organizations and researchers, to supply answers to questions 1) and 2) (on page 7) and to make a survey of successful methodologies in this area.

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Third Session—Twenty-eighth Parliament

## THE SENATE OF CANADA

PROCEEDINGS OF THE SPECIAL SENATE COMMITTEE ON

# POVERTY

The Honourable DAVID A. CROLL, Chairman

No. 5

TUESDAY, OCTOBER 27, 1970

# MEMBERS OF THE SPECIAL SENATE COMMITTEE ON POVERTY

The Honourable David A. Croll, *Chairman*The Honourable Senators:

Bélisle Hastings

Carter Inman Connolly (Halifax North) Lefrançois

Cook MacDonald (Queens)

Croll McGrand
Eudes Pearson
Everett Quart
Fergusson Roebuck
Fournier (MadawaskaRestigouche, Deputy

Chairman)
(18 Members)
(Quorum 6)

## Orders of Reference

Extract from the Minutes of the Proceedings of the Senate, Thursday, October 8, 1970:

With leave of the Senate,

The Honourable Senator Croll moved, seconded by the Honourable Senator Fergusson:

That a Special Committee of the Senate be appointed to investigate and report upon all aspects of poverty in Canada, whether urban, rural, regional or otherwise, to define and elucidate the problem of poverty in Canada, and to recommend appropriate action to ensure the establishment of a more effective structure of remedial measures:

That the Committee have power to engage the services of such counsel, staff and technical advisors as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, and to report from time to time;

That the Committee be authorized to print such papers and evidence from day to day as may be ordered by hte Committee, to adjourn from place to place, and notwithstanding Rule 76 (4), to sit during sittings and adjournments of the Senate;

That the evidence taken on the subject during the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Bélisle, Carter, Connolly (Halifax North), Cook, Croll, Eudes, Everett, Fergusson, Fournier (Madawaska-Restigouche), Hastings, Inman, Lefrançois, MacDonald (Queens), McGrand, Pearson, Quart, Roebuck and Sparrow.

After debate, and—
The question being put on the motion, it was—
Resolved in the affirmative.

ROBERT FORTIER, Clerk of the Senate.

## Minutes of Proceedings

Tuesday, October 27, 1970

Pursuant to adjournment and notice the Special Senate Committee on Poverty met this day at 9.30 a.m.

Present: The Honourable Senators: Croll (Chairman), Carter, Connolly, Cook, Fergusson, Fournier (Madawaska-Restigouche), Hastings, Inman, McGrand, Pearson. (10)

In attendance: Mr. Frederick J. Joyce, Director.

On Motion by Senator Cook, supplementary information to the Committee submitted by the Victorian Order of Nurses for Canada was ordered to be printed on the record of this Committee.

The following witnesses were heard: Conseil de Bien-être du Québec (Quebec Welfare Council):

Mr. Jean-Yves Desbiens, President; Mr. Alfred Rouleau, President of L'Assurance Vie Desjardins and of L'Assurance Vie La Sauvegarde; Mr. Pierre Bernier, Director; Miss Nicole Forget, Director.

The briefs listed hereunder were ordered to be printed as appendices to these proceedings:

"A"—Brief submitted by Le Conseil de Bien-Etre du Québec (Quebec Welfare Council)

"B"—Supplementary information submitted by the Victorian Order of Nurses of Canada

At 11.20 a.m. the Committee adjourned until Wednesday, October 28, 1970, at 9.00 a.m.

ATTEST:

Georges-A. Coderre, Clerk of the Committee.

# The Special Senate Committee on Poverty

## **Evidence**

Tuesday, October 27, 1970, Ottawa, Ontario.

[Text]

The Special Senate Committee on Poverty met this day at 9.30 a.m.

Senator David A. Croll (Chairman) in the Chair.

The Chairman: I will now call the meeting to order. When the representatives of the Victorian Order of Nurses appeared before the committee they were asked to supply information with reference to budgets. This supplementary information has now been received and a motion will be in order to make it part of the record.

Senator Cook: I so move.

Hon. Senators: Agreed.

The Chairman: We have been in communication with the Government of the Yukon Territory with respect to a brief. That Government regrets it will be unable to make an appearance before the committee. You will remember that the Yukon Government presented a brief and withdrew it when we were there. That is its prerogative.

We have with us today representatives of the Quebec Welfare Council. Seated on my immediate right is Mr. Desbiens, the President, who will make an opening statement and introduce those with him.

Mr. Jean-Yves Desbiens, President, Quebec Welfare Council: Thank you very much, Mr. Chairman. Ladies and gentlemen, we of the Quebec Welfare Council very much appreciate the opportunity to appear before you this morning to present our brief.

#### [Translation]

I would like to introduce to you the people who are with me. To my right, Mr. Alfred Rouleau, President of l'Assurance-vie Desjardins and Assurance-vie de la Sauvegarde and member of the committee that prepared this brief. Then you have Mr. Pierre Bernier, General Director of CBEQ; Miss Nicole Forget, Assistant Director, and I am General Director of the Fédération des œuvres de charité canadienne française of Montreal and President of CBEQ.

The CBEQ thanks you for the opportunity you have given it today to present its report entitled "Poverty". This brief was accepted by our organization last February.

"Everything has been said on poverty" stated the brief submitted by the Quebec Corporation of Social Workers last Thursday. If we still stress certain points, it is because we want the people and the governments to wage the only justifiable war, the war on poverty.

Before answering your questions, may I draw your attention to eight points contained in our brief:

1. The poor in our society can no longer be regarded as the only ones responsible for their situation. The majority of them are unwilling victims of a competitive society which could not absorb them by providing them with a suitable situation or who themselves could not integrate into it for various reasons.

Also, we reject the misconception that the poor are lazy, are parasites, thieves, etc. In some cases, they have become the scapegoats of unjustifiable inactivity. Without costly research being undertaken in this connection, it would perhaps be a revelation to publish the percentage and the amounts involving fraud among welfare recipients, compared to the percentage and the amount of fraud among other social assistance schemes, or even income tax.

- 3. It is not normal that a large part of the population must live partly or wholly on welfare—one out of twelve citizens in Quebec. Solving the problem of poverty requires a policy of economic and social development which will offer paying jobs. The government can act as initiator in this field, as planner and co-ordinator with other development officers—economic and social.
- 4. A good number of people, for various reasons, will not be able to work or draw adequate income from their work. Society has no choice; it must assure them a "guaranteed annual wage". This expression evokes the right of every citizen to a decent life and mechanisms which respect personal liberty. A guaranteed annual wage cannot be regarded as a measure which would replace all existing social security measures. Various measures offer services to the population as a whole, only a small proportion of which could get them through its own means.
- 5. At first glance the war on poverty may appear costly—as indicated in chapter one of our brief—but it is the only alternative for reducing the economic and social costs of poverty. A choice must be made, a decision taken at the political level. We have the knowledge, the means to overcome poverty. Let's stop comparing economic and social measures as if they were alternatives; let's consider them as complements to one another, and I stress the word "complement".
- 6. We reject the misconception that social measures lessen people's desire to work:

(a) a large percentage of poor people cannot work for various reasons: health, incapacity, premature aging, women who are heads of households, widows;

(b) work as a source of personal development is still strong enough to encourage people to work. It is up to employers, public or private, to offer jobs which will enable individuals to develop themselves as human beings.

- 7. While considering inflation as an evil that strikes first of all those on fixed, low or non-existent incomes, we do not agree that the decrease in private or public investments, and its corollary, a rise in unemployment, are the major means to be used in combatting inflation. First victims of inflation, the poor cannot accept the fact that this battle will be fought on their backs.
- 8. According to the very wording of the fifth annual report of the Economic Council of Canada, that poverty should persist in a society as wealthy as ours is a disgrace. This society must make substantial changes in its participation and decision-making structures, without which it is doomed to other more dangerous and much more painful disruptions. May I point out that this brief was prepared in February. I think that we have experienced circumstances—there are people who had seen clearly—and may I repeat, without which we are doomed to other disruptions that will be much more dangerous and much more painful.

The CBEQ for its part has committed itself, with the co-operation of its members, to do everything to prepare public opinion for that political decision which must follow equally from a moral and philosophical choice as from a social and economic option.

Ladies and gentlemen, these are the eight points which summarize the brief that was submitted to you this morning. My colleagues and I will be extremely pleased to provide you with clarifications or answers to your questions.

#### [Text]

The Chairman: Do any of the others want to say anything at this time?

Mr. Desbiens: Not right away.

Senator Carter: Your main solution to this problem, and the one I gather you support as the best, is the guaranteed annual income. Is that correct?

Mr. Desbiens: Yes.

Senator Carter: How do you envisage this guaranteed annual income working? You would envisage it as being geared to the size of the family, would you not? In other words, the bigger the family the bigger the income.

Mr. Desbiens: I would like to ask Mr. Bernier to answer that question.

#### [Translation]

Mr. Pierre A. Bernier (General Director of the Conseil de bien-être du Québec (Quebec Welfare Council)): Concerning the guaranteed annual wage, there are various hypotheses that have been given in the past on that subject. You have the hypothesis of negative taxation; you also have the hypothesis, which we moreover support, which regards the guaranteed annual wage as a series of measures assuring people of a guaranteed annual wage.

As for social security, which is regarded as social assistance, we consider with regard to this aspect—unemployment insurance, social assistance, veteran's allowances—a guaranteed annual income makes it possible to further respect the human being and also makes it possible to further respect the right of citizens to a decent living.

At that point, in our brief, only as an illustration, we quoted figures taken from a report by Mr. Otto Thur who made a summary calculation of the costs of such a system which would replace present welfare measures by a guaranteed annual wage, but which would not replace all social insurance and service measures.

These social insurance and service measures are offered to the entire population and we mention in our summary that a minute portion of the population can manage by itself where services are concerned.

For welfare measures, we want to still use the expression "guaranteed annual wage" because we think that present welfare measures, although they have been improved substantially, the scales have been raised to such an extent that it is, strangely enough, resembling a guaranteed annual wage, where welfare is concerned, but where procedures are concerned, where the machinery for giving that assistance is concerned, there is still head way to be made and such headway can be made by adopting the idea of a guaranteed annual wage which further respects a person's right to a decent life, and to a person's freedom to use the money, as any citizen is entitled to use his money as he wishes, except when he commits abuses with that money.

At that point in our brief we speak of a minimum, we speak of an indexing, we speak of a wage supplement, so as to have a margin between people who receive only welfare, in view of their situation, and people who have an income, let's say, that is adequate, to live decently in our society.

Hence, there are the two: a minimum and an adjustment margin between those who do not work and those who have the chance to work in our society.

#### [Text]

Senator Carter: That is a very long answer to what I thought was a very short question. In taking the minimum for a family of six, would you give that family living in the country or a rural area the same amount as you would give a family living in the city?

#### [Translation]

Mr. Bernier: I think that technical questions like those should be considered from a technical viewpoint, by experts in the subject, concerning the special needs with which people must cope. I think that the brief which was submitted by the Quebec welfare council was drafted more by a group of citizens who endeavoured further to make people aware of a situation than by a group of

experts who offered methods, or precise machinery, to an entire system.

The government, I believe, has competent civil servants who can study this concrete situation, and at that point, to determine whether, in such a system, people in a city should have an advantage, by giving extra to the privileged, to large families? Our present system does it in a blundering fashion through family allowances, on one hand, and through preferential rates for certain cities and towns compared to the country. Those things are being done at present and that appears in the technical aspect of determining amounts. Our aim is not to offer new techniques. Techniques can be studied and proposed at the intellectual level. It is much more important to have new thinking that has to be developed with regard to those problems; this is much more important from our point of view.

#### [Text]

Senator Carter: You mentioned in addition to the guaranteed annual income an alternative method of tripling Family Allowances. You cannot have both because you do not have the money. Which of these two methods do you prefer?

#### [Translation]

Mr. Bernier: What I said a while ago is that we regard the minimum or guaranteed annual wage as a series of measures which will enable citizens to manage on their own.

The expression "guaranteed annual wage" covers a series of measures. Everything depends, technically, on how one would like to consider it. It perhaps might be possible to decrease welfare schemes in particular. That does not mean, however, that workmen's compensation or health insurance or hospital insurance is going to be replaced by a guaranteed annual wage. We believe that the expression "guaranteed annual wage" should include a series of measures. But what is important, in our opinion, is to replace the word "welfare" by "guaranteed annual wage", this part of social security regarded as palliative social assistance, we must do something so that it will be the smallest minority possible, in a country, which asks for emergency or special assistance, but we must do something so that our preventative measures are so set up that risks are warded off-and risks can be anticipated. The main risk for a good number is unemployment. There is illness. There is premature old age. There are broken families. There is pregnancy. There is a host of risks that can be anticipated. It is not our objective to go beyond that level.

May I ask Mr. Rouleau to express his opinion?

Mr. Alfred Rouleau (President of L'Assurance-Vie Desjardins): In the question raised by the Senator, he said that we do not have all the money for facilitating the generous or complete implementation of a guaranteed annual wage. I would like to make a comment—I do not know whether this is within the Senators' terms of reference—but to some extent this is the objection that one hears, in many quarters, who basically hold the controls in Canada. I am not speaking now about politicians, but I am speaking about those who hold financial controls; those who hold the controls over major industry; of those

who, for all practical purposes, also hold the controls over professional corporations; and this is the argument, the objection, one hears constantly when it is a question of wanting to improve the social situation, especially where the have-nots in society are concerned.

May I say this, it is unthinkable to see promoted in Canada, throughout the country, through those who make the laws, action which would presumably solve, while respecting mankind, the social problem of poverty, without those who hold power-and I am not speaking of politicians—without those people agreeing to make a compromise between their financial interests and the collective needs of society. I am under the impression that on the boards of directors of large Canadian companies, if such meetings were held publicly, if people heard how one operates in the economic life of the country, in terms of personal interest, I am under the impression that the problems we are experiencing today could be even much more difficult. I think that there really is a job to be done in education and in making people aware, once again, among those who, for all practical purposes, hold the controls in their hands in our country. I repeat, the controls from the standpoint of finance, industry-and I am speaking of large professional corporations. I am speaking of the Bar. I am speaking of engineers. I am speaking of all those who have anything to say in present society. I also think, Mr. Chairman, and I do not know what is going to be done, but we know that the politician, when there is legislation to be passed, is constantly forced to reconcile interests at the same time. I do not think that one can settle the social problem properly if those who, once again, hold power, do not agree to make compromises.

In the White Paper, there is a large number of suggestions which refer specifically to a desire to contribute on the part of those who perhaps are better off in society, and God knows, one finds all sorts of methods for trying

to justify opposite attitudes.

Perhaps what I am saying is vague, but I do understand it myself—at least I can tell you that. But in Canada, I think that one is going to have to accept the fact that it is the poor who are going to oppose; it is not the disinherited in society who are going to oppose. The solution to the problem is in the hands of those who have power and, once again, I am not speaking of politicians. People have a tendency of foisting the entire responsibility on politicians. However, I believe that in our country, once again, there are people who have power, for all practical purposes, and as long as those people do not understand the problem, as long as they do not realize that their own interests are linked to the welfare of society as a whole, I doubt that it will be possible to find solutions in a guaranteed annual wage.

[Text]

Senator Hastings: May I ask a supplementary question? [Translation]

Mr. Rouleau, pardon me, I do not speak French...

Mr. Rouleau: Speak English.

[Text]

Senator Hastings: I was very interested in your reply and I am in wholehearted agreement. You referred to Poverty

painful disturbances that were going to be seen. Is there any way of shaking the people, of breaking into this hard core of the "haves" so that they realize and understand the position—short of the painful disturbances and violence we have had to witness? Do you think that the system is capable of changing, without that? Do you think it is capable of recognizing the need for change?

#### [Translation]

Mr. Rouleau: That is a good question, Mr. Chairman, since it gives me a chance to say that, personally, for three years, I have been trying, in a small way, to make just those people aware, the people I was speaking about a while ago. For example, two years ago, I agreed to give a speech on the problem of poverty to the Montreal Chamber of Commerce. Individually speaking, I think that generally people who have the powers-I do not know whether the word "powers" is understood in the broad sense—individually speaking, in general, they are excellent citizens, but when those people are taken as a group with regard to interests, imperatives, special interests, I am under the impression that they overlook the overall social problem. I am concerned about the future. It was Fernand Schreiber, in his lecture in Montreal recently, who said exactly this more or less: he hoped that the changes which must take place in our society so that the population as a whole can benefit at least from a minimum, he hoped that such changes would take place without too many disruptions, without too many-it is a French word—too much wrangling,—so as not to use a word which, at the present time, in Quebec is dangerous. That is the problem. I am concerned because I believe, personally, that at the present time it is impossible in Canada to come up with adequate solutions to the social problem as long as those who now have power in its entirety cannot understand that their interests-and I say that those people will have to agree to make compromises; they will have to accept social measures much more than in the past; they will have to accept much greater government action. For example, when the Government of Canada and the Government of Quebec one day decided to introduce a universal pension plan for the entire population, beside that you had the entire insurance business before that, more than 75 years ago. I often asked myself whether those who ran the insurance business in Canada had been questioned about the fact that those who could get pensions were those, obviously, who worked for large companies where pension funds were available, but that there was a class of citizens who could not get pensions because they could not be unionized, in certain cases, or then, because they were individuals. Then when the government decided to introduce that universal pension plan, universal funds, a large number of briefs were submitted to Ottawa to justify compromises, which, on one hand, wanted to safeguard the interests of insurance companies, and on the other, to reach the class of people who did not have pensions. Perhaps there were valid suggestions in them. I often said to myself, would it not have been preferable if, 15 or 20 years earlier, the insurance companies had anticipated the problem that a number of citizens could not avail themselves of their services, and if perhaps, at that time, they had perhaps assumed leadership, the initiative to propose to the government formulas which might have, at that time, settled the whole problem and safeguarded services which would have come through private enterprise. But no, those in power move when there is sufficient pressure to make the government realize that the common good is involved and that the government must act. This is the case with health insurance today where doctors are concerned. In my documents I have newspaper clippings which date back 30 years to the time when the problem of making medical care available to the entire population and to the little man was raised. Social weeks were held in Montreal in this connection. But no, those in power took no interest. They did not even see that. They woke up when the legislature decided, because of pressure brought to bear by intermediate bodies, to draw up legislation to settle social problems affecting the whole population. I do not know whether I am clear in my thinking, but I am inclined to say, once again, that I doubt that those who now have the means to make compromises will do so and that, for all practical purposes, we are gradually going towards greater socialization at the social level as well as at the economic level.

#### [Text]

Mr. Desbiens: Mr. Chairman, if I may complement Mr. Rouleau's statement, in answer to the question by Senator Hastings-I am dead convinced, as a professional working with citizens groups in Montreal for a number of years, that if we accept a management principle like that subsidiary principle—if the states—or if the province I am talking about—were willing to share powers with the citizens, those people who want to do something for themselves. We have been working on a project for two years and no decision has been made. We can channel a lot of energy in those great areas in Montreal, but nothing moves. The private sector of the welfare keeps going to Quebec City and telling them, "Please, people, move. Move, move, move." But they do not want to move. I am sure if you gave those people a certain amount of power they would use it properly.

Senator Hastings: You are just re-echoing what the Chairman and I have said many times: time is running out on this problem.

#### Mr. Desbiens: That is for sure.

The Chairman: Take it easy for a minute, fellows. We are not in the revolution business here. We are trying to keep calm and collected and trying to find solutions for problems. Say what you like to say but just keep it modified, will you?

Senator Carter: Mr. Chairman, I should like the witness to elaborate on this answer to Senator Hastings when he said that there were projects that the people would do if they were given the power. What projects has he in mind?

Mr. Desbiens: For a number of years in social agencies we have had this project in mind: we want to centralize all the administration and decentralize the services. As in industry we wish to bring the services close to the

people by having service centres where people can identify what they need. We would suggest a board of organization that would be composed of 75 or 80 per cent of lay personnel, and those people could tell the professionals that such and such a service is the kind of service they want.

Senator Carter: Do you mean consultation?

The Chairman: No, Senator Carter. He means store-front availability. Supermarkets. You remember when we had the medical people from Montreal, the young group? That is the sort of thing this witness is talking about for medical, dental and legal services. He wants to decentralize the services so that a recipient does not have to travel half a day and wait for 14 hours.

**Senator Carter:** I misunderstood him, then. I understood that, if the people were given the power, they had the energy and could channel it into projects.

Mr. Desbiens: I am referring to the concept of accepting participation. Those people want to participate in those programs. We should allow them to participate.

Senator McGrand: What are the programs? Can you name me one?

Mr. Desbiens: The community health centre, for example. There is a health clinic in Montreal called the St. Jacques Clinic. It is a co-op affair. People are participating in this clinic and are becoming an integral part. They have a sense of identity with this project and they feel at home with it. On the other hand, if they go to the hospital they are not particularly welcomed there and because the hospitals are not open at night the man of the house has to miss a full day's work in order to take his wife to the hospital, but at the clinic the doctor goes home.

#### [Translation]

**Senator Fournier:** In your report No. 3, article 6, questions (a) and (b)...

#### [Text]

I fully agree with paragraphs (a) and (b), but I am a little surprised with the statement you made on page 3.

#### [Translation]

In item 6, "We reject the misconception that social measures lessen the people's desire to work". We are all aware that there are a number of people who do not want to work because they are afraid of losing their welfare—I can give you examples—you also probably have had some—and you make a statement like that, "we reject the misconception that social measures lessen people's desire to work". I will give an example.

#### [Text]

In the county where I live there is a great potato-digging industry, but at the moment there will be hundreds of thousands of potatoes that will not get dug up because the potato growers cannot find workers to come and dig the potatoes, despite the fact that potato diggers can make from \$25 to \$30 a day at the present time. That is good money. So a great amount of the crop will rot in the ground because people who might do potato digging

are refusing to go to work because they are afraid they will lose their welfare.

My point is that that situation applies right across the country. How do you justify a statement like the one on page 3?

#### [Translation]

Mr. Bernier: Mr. Chairman, I would like to answer that statement. I think that, if we are speaking in terms of examples in particular, I worked for two years in a finance agency, and I might cite to you as many cases as you like of people who wanted to work, but who did not have work. Therefore, I think that when we speak of individuals or small groups, we will get nowhere. The problem must be placed in a broader perspective, in the following setting: at present, for X and Y reasons, there is an unemployment problem which is collective and not individual, which has been caused by various reasons, among others we mention in our brief, such as the fight against inflation, the decrease in public and private investment—we are all aware of the effect of decreased investments-I think that it is a known fact that a decrease in public and private investments leads to a decrease in jobs in certain regions and when we have 25 and 30 per cent unemployment, we cannot then say to those people you are people who do not want to work. There have been retraining programs and people who have been retrained-I have witnessed this-have been put on their feet again-they are learned jobs, featherbedding jobs; they have learned useless work because there was no work. I think this is important. Large numbers of people are retrained in certain regions; this is welfare disguise for some, and at that moment, we think we are going to find jobs for those people. situation must be seen in a broader perspective. Where PERTICA is concerned, I am sure that you are right, sir, perhaps there are reasons, perhaps there are situations.

Senator Fournier: I do not say perhaps, there are some.

Mr. Bernier: I say perhaps because there are so many cases of people who want to work but who cannot work. The characteristics of those people must also be considered. More and more, and you will agree, business is asking for trained people people who have grade 11 diplomas, bilingual people, people with a trade. After the war, a good number of people who did not have those qualifications were employed in factories. Those people are now 40, 45, 50 years old and they did not have the chance to get that training. There was also a "back to the land" trend and it is not a sure thing that the land is viable everywhere. At the present time we have a huge number of untrained people who come from rural areas seeking employment in the large cities, and more and more, the requirement is grade 11, a technical course, a host of things. Those people are not able to be retrained properly and I maintain that one cannot judge; the misconception is there, as described. Furthermore, they say that employers must offer jobs that develop the person. I witnessed a case-and you have cited one-I am going to cite one, the case of a young man who came from a broken family. He had an IQ of perhaps 135. UnfortuPoverty

nately he had quit school in grade 7. He had much greater aspirations than to work with boxes in the basement of a chain store for \$32 a week. That did not satisfy this individual at all. He wanted to go back to school. He wanted to upgrade himself. He was alone in life. He was 16 years old. Unfortunately, at that time, there were no means to help. The new legislation enables us to intervene more and more. You realize that there are cases opposite to the one you cited. There are many such cases.

#### [Text]

Senator Fournier: Mr. Chairman, we have heard that answer before and we agree with it. We do not dispute it at all. Mr. Bernier is right.

Then, Mr. Bernier, you have answered my second question.

#### [Translation]

When you say that the problem of poverty exists, that it requires a government economic and social development policy which offers paying jobs, I think that you agree with that.

You have pretty well explained when you gave the reason that it is because the standard is too high. But what would you do? Never mind the standard and all the classifications. We need that. But what would you do to get this fellow back to work?

The Chairman: Just a moment, gentlemen. We have a long list of senators who want to ask questions so I would ask you in answering to try to stick to the point.

Mr. Rouleau: I am sorry, but I understand, Mr. Fournier. In social security schemes, there perhaps are, and I am speaking as a layman, things to be corrected which would retain motivation for people who, sometimes, can work, even in seasonal jobs. There is a technical question, and I think that...

Senator Fournier: You have observed that point?

Mr. Rouleau: Absolutely. I would like to say, Mr. Chairman, Mr. Fournier, the best example that I give, when speaking of that, because there are people who make sweeping judgements and who say that people are lazy, they do not want to work. During the last war, Mr. Chairman, from 1939 to 1945, there was not much unemployment because there were jobs. They were looking for people everywhere. I come from an ordinary family. My father ran after work. Therefore, as long as people are not permitted to work, as long as they are not offered permanent jobs, it is difficult to make a definitive judgment, an overall judgment. I would now point out to you, Mr. Chairman, that I am an employer. Today there are 40, 45 year old men-you certainly know this-who can no longer find a job, right after they lose one. The system, everything, efficiency requires that men who have reached a certain age not be hired, even if they are competent; people prefer to hire younger fellows. There is something wrong with the system in such a case.

Senator Fournier: Agreed.

Senator Pearson: According to page 8 the Economic Council, the Canadian Welfare Council and the Montreal Development Council maintain that we have the means for overcoming poverty in Canada but what is lacking is willingness on the part of the masses. Can you give us some idea of what means we have to overcome poverty in Canada? That is the first part of my question.

Mr. Bernier: Mr. Chairman, I think that Mr. Rouleau answered that question fully, earlier when he referred to those who had power, in the broad sense of the word "power", that those people did not take the initiative.

Senator Pearson: What do you mean by "people in power"?

Senator Hastings: The establishment.

Miss Nicolle Forget, Assistant Director, Conseil dubien-être du Quebec: If I may add something. One can also say that, where means are concerned, 20 years ago it was difficult to discover the problems, but at the present time, we have technical apparatus, technical equipment to make a fairly adequate measurement, at least, by regions, by sectors, the population by class, the various problems. We also have the means for solving the problems. It is the will to do so that is lacking; with what will may involve, there is not an industry that does not have the means—My God! the United States had the means to go to the moon! If there are the means to program the flight to the moon, there surely are means to program solutions to certain problems.

Mr. Bernier: The people who work the controls in society. The people who make decisions, whether industrial, professional, financial, governmental, it is those people who run the controls who must take the initiative. At the present time, and for a long time, it is the government that has been taking the initiative, but long after situations have deteriorated. The question of means refers to a critical situation and refers also to the fact that that is intolerable. That is why I raise the point, because the Economic Council has made all the calculations. It is a shame for a country as wealthy as ours to make the war on poverty a priority; in my opinion, it is not even a priority, it is a pre-priority.

Senator Pearson: What then do you mean by a lack of willingness on the part of the masses? Is that willingness to work?

Senator Fournier: It is the intention.

Mr. Rouleau: Mr. Chairman, let us take a facet of the problem of poverty, the problem of unhealthy housing. It is the problem of urban renewal. When you go into large urban centres, you notice that a large percentage of slumlords come from a long line—perhaps it is annoying to say so, but it must nevertheless be noted—there are people who own such housing. It is not the poor who own such housing; other people own such housing. It is profitable to do so. One thing that I want to say is that when there is a social problem there is never a deadline; when

it was a question of building a bridge between Lévis and Quebec, the Frontenac Bridge, they decided on a commencement date, then a date on which the work would be completed; when it was a question of building the Trans Canada Highway, a date was decided on, and also a completion date, which deadlines. But when we come to a social problem, there is never a deadline. The problem of housing in Canada, statistics show, from year to year, housing is being built constantly, but are they building housing to re-accommodate people who cannot pay more than \$40 to \$50 a month?

#### [Text]

The Chairman: Senator Pearson, we are having some trouble up here because you have the English version just as we have and I have just compared it to the French version, and instead of the word "masses" it should be "collective society." I know what you were getting at, but I would point out that ours is a quick translation made so that you would have it in your hands as quickly as possible.

Senator Cook: Subject to the taxpayer.

The Chairman: No, willingness on the part of society, so we are off the beam a little. Senator Hastings said what they were talking about was directed at what we would refer to as The Establishment.

Senator Pearson: How much welfare do you think this developing country can stand?

Mr. Desbiens: I referred to that a while ago. I think the Economic Council has worked on those things. We have a few tables developed by Mr. Otto Thur, for the University of Montreal. They are approximate, but I do not think we have the machinery to go into detail.

**Senator Pearson:** But what about a total figure? I see something on page 6.

#### [Translation]

Mr. Bernier: Mr. Chairman, where a society has to go was alluded to a little while ago when reference was made to the compromise that the people who have the power must make, and if we consider poverty and the war against poverty as a pre-priority, (I think it is one, at that point) we'll have the creative and innovative imagination to find solutions to these problems. Also, when a house is burning, we call the firemen; we don't wonder what to do. So that's my answer to the emergency situation.

#### [Text]

Senator McGrand: I have several questions. On page 17 you mention curbing the privileged classes which have a greater responsibility for inflation. It is hard to grasp just what you mean, or how effective such a program would be. I agree that a \$80,000 home, with a two-car garage and a swimming pool is a standard of living that the well-to-do expect to have, and this no doubt contributes to inflation. How would you proceed to correct this, and how would you proceed to implement a policy of curbing the privileged classes which are responsible for inflation?

Mr. Desbiens: I am not sure I understood the question quite clearly.

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#### [Translation]

Mr. Bernier: In the fight against inflation, it was mentioned that, basically, it wasn't so much the poor who were contributing to inflation, but it was rather expenditures for luxuries, and at that point, people, have in spite...

#### [Text]

Senator McGrand: I have already mentioned that, but how do you correct it? Do not give me a long talk on it.

Senator Fournier: He was trying to ...

Mr. Bernier: ...understand your question.

Senator McGrand: Oh, I see. That is what I want.

#### [Translation]

Mr. Bernier: I don't think I am competent to tell you exactly what to do, technically. However, I think there were briefs, beginning with the Carter Commission, that gave solutions, and which are much better qualified than I am to give you answers. There's Mr. Benson who made recommendations also; he was much more qualified than I to give you answers.

#### Text

Senator McGrand: I have his answers. He says that he has not the answer and that we can get it from Mr. Benson.

The Chairman: That is right.

Senator McGrand: On page 20 you refer to the \$10,000 and \$12,000 a year wage earner. This, to me, is the middle-class group. Most of these people maintain that they can just get by now with the money they are earning. They would certainly resist the elimination of that \$105 exemption on children. This, to me, is the important thing, that the upper- and lower-middle-class people suffer from this national policy, or whatever you want to call it, of consumerism. Everyone has to spend everything that they can get and buy everything that is on the market—consumerism. How are you going to get these people to conform to a different way of spending their money, and to give up the \$105?

#### [Translation]

Mr. Rouleau: The solution to the problem, in any case, is inside Canada; they are not going to settle our problems outside the country. When they talk about social security, it's clear that, in order to settle the problem, we mustn't lose sight (in any case, we, here, think so) of the fact that economic development is important for the creation of jobs. Everybody is agreed on that. In order to pay for social security, we absolutely have to take money from those who obviously have income. Personally, I think the problem depends partly on the tempo, or rate of development in relation to the ability of the people, or the popular masses, to adjust to the development. On the one hand, you can see all the technical, and technological, advances, the inventions, all the possibilities in our consumer society, and that's taking place very rapidly. On the other hand, you have part of the population that's constantly growing, yet can't catch up with all these benefits. It isn't easy to find the solution. However, it's my impression that the tempo, the rate of progress, of development, in relation to the opportunities of the other side of the population, is so rapid that the popular masses can't catch up. There's really a divorce (I can't say it in English) but I'm making an assumption, that would create other problems. However, if we succeeded in better controlling technical advances, and scientific advances, if we tried to control them, to put some order into them, having regard to the ability of the people to integrate into or adjust to these changes, into these new situations, we would probably have, perhaps not altogether, the same problems as we have today. I'm touching on another question here that's very different from the strictly financial question; in any case, I'll stop

Mr. Bernier: Mr. Chairman, may I answer the Senator's question? A little while ago, it was said that there was no desire for the guaranteed annual income, or guaranteed minimum, to replace all the measures. I think that would be going backward and it would be harmful to that whole class of society called the middle class, which benefits from all the preventive social insurance measures, that are very beneficial to them. At that point I'm sure that with income of even up to \$10,000 and more, we're far from the old idea that each individual can cope with all situations with his own income. If universal social insurance has come, (Mr. Rouleau mentioned it just now) it's perhaps due to the fact that the initiators in the private sector didn't get a bigger head start. The fact remains that, for this whole middle class, it is essential that preventive and social insurance measures be kept up.

#### [Text]

Senator McGrand: What I gather from the translation is that we must have a different set of values. Is that right? We must develop a different set of values with respect to what we do with our money.

Mr. Desbiens: Yes, that is it.

**Senator McGrand:** So we have to introduce thrift again into our way of living?

Mr. Desbiens: Yes, that is a good understanding of it.

Senator McGrand: From time to time when we have discussed poverty the concept of retraining people for different kinds of jobs has been raised. With technology and automation as they are today the number of new jobs will be limited by the attempt on the part of the public to consume everything that is on the market. Much of what you have said seems to bear upon Montreal, but much of the poverty in Montreal is directly associated with conditions throughout the province. When you discuss poverty in Montreal you must relate it to poverty within the province, and that in turn must be related to the way in which the resources of the province have been developed for the people. Am I correct in that understanding, or am I confusing the translation?

[Translation]

Mr. Bernier: Are you saying that the resources of the provinces wouldn't have been developed for people? Is that the last thing you said?

[Text]

Senator McGrand: That is what I say. The resources of the province have not been developed in the best interests of all the people.

Mr. Desbiens: I would agree with you on that. I think there has been a misuse of human resources and money. We saw last summer money invested in a project, and if the Government had consulted us we could have told them how to use that money in a much more efficient manner. But, this is not only our problem; it is a problem of every level of government. An amount of \$25 million was invested in the youth program across country, and if you speak to any of the youngsters who were exposed to that program they will tell you that it did not render the service it was intended to render.

Senator McGrand: I am talking about the material or natural resources of Quebec.

Mr. Desbiens: Oh yes, you are right there.

Senator Inman: Mr. Chairman, I find this a very interesting presentation. We have heard a great deal about poverty in the cities, such as Montreal. I am interested in that very much, but I am also interested in rural poverty, and I am just wondering how people could be induced to stay in the country. Country life is a good life. It is calm and peaceful. There is not the great rush there is in the cities. I realize that it is difficult today to make a living on the farms, but I am wondering if there could be some way of subsidizing people to enable them to stay in the country. Of course, there would have to be more services and utilities.

Have you given any thought to keeping people in the country? You say at page 3 and the top of page 4 of your brief that much of the poverty in the cities is caused by people moving into the cities.

Mr. Desbiens: Yes.

[Translation]

Mr. Bernier: I think there were initiatives. I'm referring to the whole Eastern Quebec development plan. Considerable efforts were made to consolidate farms. That's important economic work. It's extremely important to make the farm profitable in their equipment and so on. In the re-development plan there was perhaps this idea that the rural population couldn't grow inordinately, because it wouldn't have the necessary services, it wouldn't have the necessary investments to keep a growing population, and that's when it's extremely important to develop middle poles of growth in between the large centers and the rural region, but we must also consider that, the removal of people, this has to be thought out before they are moved, rather than afterwards; what often happens today is that people leave the rural areas for the city, and the preparatory work of training, of re-education, hasn't been done. Right now, in the Gaspé area, to give one example, they have started re-education

courses. I mentioned a little while ago that it wasn't completely certain that in the re-education courses, they have prepared the people for their coming to town; I'm saying that it wasn't certain that they were re-educating people for good jobs. That isn't easy, because when people have reached the age of forty, and worked on farms for a good number of years, they know a good deal, I'm sure of that, but it isn't easy to prepare them for specific jobs.

We're going to have to accept, I think, the system will have to accept the fact that there are a number of people who can't work, for various reasons. At that point, we have to given them an income.

Senator Fournier: Did you say the system accepts, or doesn't accept?

Mr. Bernier: The system does accept it, yes. All the economists say that there are some people who can't integrate. And we accept the fact, too, that there are some people who can't integrate. The problem there is that we have so much to do, and I myself am helping, to give the work some value.

#### [Text]

Senator Inman: Mr. Chairman, this is what I am getting at. I know that these people do not integrate very well. What I am asking is whether anything is being done to keep them in the country where they are happier, where they belong, and where life is easier.

Mr. Desbiens: There are many efforts being made by different levels of government to do that, but it is too early in the project to evaluate what is happening. We know that something is going on in the Gaspé. There is also the problem of specialization in agriculture. It is very hard to grow carrots up in Abitibi, where even rocks do not grow.

Senator Inman: On page 6 you mention the giving of a bonus of \$500 to families whose income is between \$3,000 and \$3,999. How many would be in these families?

Mr. Desbiens: Are you asking for the number that would be in the family?

The Chairman: Yes, would one, two, three, or four children comprise the family?

#### [Translation]

Mr. Bernier: A good part of what is printed in the first chapter is a lecture given by the economist Outo Thür, now Vice-Chairman of the Economic Council of Canada, a few years ago to the Chambers of Commerce in Halifax, and Mr. Thür adds some statistics.

#### [Text]

The Chairman: This is not their thinking; they are quoting from Thür, whose report is before the committee.

Senator Inman: At page 11 of your brief you mention that at least 75 per cent of all persons on social welfare in all the provinces are old or in ill health. Do you consider that figure to be currently correct?

#### [Translation]

Mr. Bernier: It's an idea of size that comes close to reality. It can vary at the present time, around 5 per cent from one region to another; it all depends on the regions. But on an average, if you total up all the assistance, you get just about that percentage.

#### [Text]

The Chairman: Senator Inman, they are not wrong in this when the disadvantaged are subtracted from the working poor. They say 75 per cent is correct with respect to the disadvantaged, which is pretty nearly right.

Senator Inman: I would just like to say right now that I am 100 per cent with Senator Fournier in what he said about working. We are having the same trouble.

Senator Hastings: Mr. Chairman, I will return for a moment to the matter of changing attitudes and priorities on the part of, as you refer to them, those in power. I have just returned from western Canada. Nothing that has been stated in the last ten years by Mr. Trudeau, Mr. Lesage, or even Mr. Levesque touched the conscience or changed the attitude of western Canadians as much as recent happenings in Canada. I see the tragedy of it all and it disturbs me. I am convinced that similar events will be necessary to change the attitudes of those who, to use your phrase, are in power.

Over the last weekend I have seen fear of losing what we have. When we come to poverty or the poor it is going to take the same traumatic experience to change those who have their fear of losing what they now have. This will be necessary in order to bring them to the conclusion that they must have change in their social thinking and social conscience and be prepared to share with people who live in this poverty area. I am sorry to reach that conclusion.

Mr. Desbiens: We agree with you 100 per cent.

**Senator Hastings:** Senator Croll and all of us have been making speeches such as that of Mr. Rouleau, but they say amen and go their way and we do not seem to be making any headway.

Do you have ideas as to how we can make headway without paying that terrible price that we evidently must? How should we learn the lesson that has been learned in the United States and around the world, by which we in Canada should profit? As Miss Forget said, we can go to the moon and do other things when we have the will. If you have any ideas with respect to pricking the conscience of these people and showing them that they have this responsibility without paying that terrible price, we would like to hear them.

Mr. Desbiens: I think Mr. Rouleau is in an excellent position to comment on this in view of his position in Montreal as an employer. I will use the word fighting, that is fighting in a constructive and positive way.

The Chairman: Yes, but I have a question written here which will fit in now. The men sitting around here are in the main socially conscious senators who have been that

I am not particularly impresed with the kind of agitation for improvement that has been carried on by people, not so much in your position, because you are a public servant, but those in Mr. Rouleau's position in the Province of Quebec. Now, it is all right for Mr. Rouleau to make the speech, and we give him full marks for it. It is all right for me and others to make speeches, but are other people in the Province of Quebec more aware perhaps than we are of the underlying difficulties and why have they not activated themselves?

Senator Cook: May I speak on the other side for a moment? We have to start somewhere. How much money has Quebec spent on education in the past few years? It is millions upon millions of dollars. Which are going to be our priorities? Education, relief of poverty, health services, recreation, roads? They all have their advocates.

The Chairman: Well, of course, as I understand these witnesses—

Senator Cook: I know what their priorities are, but they are not the Government, unfortunately.

The Chairman: No, but they say in effect, and Miss Forget expressed it well, that we have the capacity, the adequacy and the affluence to do more than we have done.

Senator Cook: That is a statement; it is not proved yet though.

The Chairman: No, but the Economic Council said something to the same effect. However, they say that we ought even now give the poor first priority.

Mr. Desbiens: Mr. Rouleau was a member of the council for three years.

#### [Translation]

for many years.

Mr. Rouleau: The problem in Quebec, right now, is in good part caused by the whole social problem. In any case, the source of the present problem in Quebec can be found in the social problem, that's sure. However, what you said, Mr. Hastings, it isn't how to succeed in sensitizing, in making more aware those who have the possibilities for action in hand right now. It isn't the people of yesterday or those of tomorrow, but those who are there today who really have in hand the means of changing the situation. Of course, there is a financial problem, when you talk about solving the social problem, that's obvious. An equilibrium has to be kept between the ability to pay and all those other things. Individually, people are in agreement, and I'm convinced that there are few citizens in the country, among the people who have a say in management, personally, who are not prepared to do something. However, when they meet as a group with private interests when its a matter of managing enterprises for reasons of efficiency, and may we say, to make money, (there's nothing wrong with making money) but they want to make money. That's where the problem begins. That's when I say there's a conflict of interest in this whole business. I can't settle the problem. It isn't only the politicians who can settle the problem. It has to be done by those who are at the controls in society. Hold on, I prefer not to give that example; it wouldn't be right, it would be going too far. I've had experience; when you attend businessmen's groups, right away they talk about economic development and alongside that they say: "The basic social budgets are too costly. Let's cut down these budgets and increase the budgets for economic development."

At that point I say: "O.K., I'm for increasing the budgets for economic development, the creation of industries, the creation of jobs, etc. etc., but I wouldn't touch the social security budgets, because in the mind of the person who benefits from social security, from his point of view, it's his only income." When you say that, that's when you're quite simply provoking that class of the population, you're quite simply provoking them, setting them against the system, setting them against people. So, I say: "Before you think about cutting social security budgets, you should perhaps go further in o the operations of other departments, other government services, to see whether you couldn't make savings in those areas." Couldn't we eliminate the middle men, for example? The lady was talking a while ago about the rural problem. The income the farmer receives, in relation to the price obtained for the product when it is bought by the consumer, shows a considerable gap. Have we asked ourselves about the share taken by the middle man between the producer and the consumer? It's the whole question of structuring. It's all the mechanisms. I'm finished, Mr. Hastings, that's all I have to say. Thank you.

#### [Text]

The Chairman: Look, we have to be realists. Let us put it this way. We have got problems here, and when you make a comment about the difference between what the man who produces gets and what I as a consumer pay, it is not a new problem, we have been through it for some time here. The Chairman has had a considerable amount of experience of it. Let us be realists. You are in the insurance business.

Mr. Rouleau: Je présent-

The Chairman: Just let me make this observation-

Mr. Rouleau: Mr. Chairman, I'm engaged in insurance, but I've been concerned, all my life, with the economic, co-operative sector.

The Chairman: Oh no.

Mr. Rouleau: It is important for me.

The Chairman: It is important for me to be a lawyer too, because they do not pay me as much down here as other lawyers. But that is not the point I want to make. I have the utmost respect and consideration for you, and you have the thanks of the committee for involving yourself, but if I want to buy an insurance policy I have to pay almost the same price with every company. That is it;

those are the facts of life, you see. There is good reason for it too. You have your reasons for it, I pay and I do not complain.

When we deal with the prices these people pay at the various supermarkets and whatnot, there is no variation between them; there is a bargain here, they take your shirt off on the next one, and that sort of business, but that does not solve the overall problem. We have a problem of poverty; not how much credit a man has or how much he has to pay, but the overall problem of poverty.

You came here today, and as I understand it you say they need income. You say that is not all they need. I think the important thing you have said here today, if I understand you aright, is that they need a priority above everything else. As for instance Senator Cook pointed out, everybody comes in with their claims; defence, railroads, roads want money, everybody needs money for the development of the country. What you say is that the first development should be the people and they should have priority. That is the substance of what you are saying here today.

Senator Cook: That I agree with.

The Chairman: All right. If we start with that and decide everybody agrees with that, the next thing we have to see it—

Mr. Rouleau: How do we do it?

The Chairman: How do we do it? Well, that is for us to do, but at least we have some guidance. We have your views. That is for us to work out, and I tell you that you can leave here with some confidence I hope.

Senator Carter: I should like to return to the point raised by Senators Fournier and Inman about the difficulty of getting people to work when employment is available, because they are afraid they will lose their welfare allowance. That ties in with another problem, because the big problem, as Mr. Rouleau pointed out, is that we have to change public attitudes. It makes it difficult to change public attitudes when they can point to people who have work available but refuse to take it; they have always got this to point to as a good reason for not changing their attitudes. My question is this. If there were a guaranteed minimum annual income with a work incentive, would that not solve that problem? There would then be no incentive for them not to pick potatoes in Prince Edward Island or pick berries in New Brunswick, because they would be sure they would get the minimum income, and there is a work incentive for them to do that. What would be your reaction to that?

Mr. Desbiens: I am inclined to agree with you, senator. Mr. Thur in his document says the same thing as you. I think those people should have a strict minimum guarantee.

The Chairman: I appreciate this very much. Senator Fournier, we in the committee have had ample evidence

of the answer to Senator Carter's question, and we have had it time and again. If a man on welfare goes out to work, every dime he makes at work is taken away from him. Let us face it. That is the truth.

Senator Carter: Yes.

The Chairman: That is the truth. For instance, in Senator Carter's and Senator Fournier's provinces they do not provide for working poor. Not that other provinces do either, but it just so happens that your provinces do not. My province does not either, so do not feel too good about the whole thing. The only province really doing anything about it is Alberta. Senator Hastings is doing well this morning. The rest of the provinces are just nibbling at it. The other thing we must face up to is that the minimum wage,-whatever it is in the provinces; I do not have the figures here: I think it is \$1.25 in one province and \$1.20 in another—is at the level where you can receive more on welfare than you can at the minimum wage level. We are just casting aspersions at these people when we really should not, because we know better. The public doesn't know better, and therefore we should make it clear to them that there are good reasons why some of these people don't.

You have brought this out many times, as has Senator Fergusson, that when you get off welfare it takes three or four weeks before you can go on it again. There are so many forms to fill out it makes one afraid to go back and start over again, and we are trying to avoid those sort of situations. That was a very important matter you asked about, and we might as well face the truth. These will be some of the things we will seriously consider when we sit down to prepare our report.

Mr. Desbiens: I am sure the committee is going to put out a good report.

Senator Hastings: Are we still not dealing with small percentages? Time and again we talked about the 5 percent.

Senator Fournier: It is more than 5 per cent.

Senator Hastings: No, it is less.

The Chairman: The man from the Quebec council put it at 10 per cent, which is the highest rate I have ever seen. It does not run that high really. Madame Blais-Grenier really had the answer when she said that we must not look upon them to set our standards of morality. Even though she said this in French I understood her.

Senator Carter: I raised that question because I did not know the answer. The impact of the problem of attitudes always provides an excuse for the people whose attitudes we want to change.

In regard to jobs, I am not sure that I understood everything that was said this morning befause words sometimes got lost in translation. Being realistic, and looking into the future, do you think we will be able to supply jobs for everyone who wants to work?

[Translation]

Miss Forget: Especially not in Quebec: of course, nowhere in the world, I think. It has always been expected that there would be a shortage of jobs somewhere, even when we try to use our natural resources to the maximum, even if we think up some resources at a certain time, but it's impossible, it doesn't exist, for all kinds of reasons: sick people, people who need to look after their children at home, people injured at work, those unable to work, etc. Particularly in Quebec, if I may say so, about 50% of the population is under 25 or around 25 years old.

Also, all these people have come into a system of public education that leads right to university. It's a new situation with us. It's a dangerous situation. We're preparing educated unemployed, that's what's been said everywhere. Behind these young, educated unemployed, there are people of 30 and 40 who are re-educating themselves in order not to find themselves in the street tomorrow morning, displaced by younger people. What kind of jobs are we going to be able to offer those people? That means about 50% of the population, pretty soon, and add to that, intermittently every four or five years, people with a university degree, a first or second university degree, when we already have 7, 8 or 10 per cent unemployment, and in some of our areas, 40% unemployment.

Senator Fournier: It becomes a conflict.

Miss Forget: What do we do, we give the priority to education. It's a basic right, education. We can't take it away from the individual, anywhere in the world. It's there. They are entitled to it and we have to give it to them. But have we done any programming? Have we thought about what we're going to do with those young people? We've opened up schools everywhere, without knowing whether there would be enough students in 10 years to go to these schools. First there is a drop in the birth rate; secondly, we don't know whether there will be companies to offer work to these young people. That isn't being planned, either. 100,000 jobs for this year, and maybe it'll be 500,000 that'll be needed next year, maybe more than that. We don't know. So that's the way it it with us, but the situation in New Brunswick and the situation in the West are perhaps the same.

Mr. Bernier: We would like to add, and we're not the ones who who let it pass—Senator Fournier mentioned it just a while ago—the system isn't ready. It isn't capable of hiring everybody. That's what's so tragic. At that point, we absolutely must have measures to prevent that.

Senator Fournier: Isn't there, in all that, in all those deficiencies, in all those faults that we recognize today, isn't there someone who had personal ambitions and who went too far in all that?

Mr. Rouleau: No, Mr. Chairman, there's a lasting problem I think that it's still the same thing, it's an arrangement between pragmatic, practical men and theoreticians. In the matter of educational reform in Quebec, everybody is agreed on an overall reform of education; but what was perhaps lacking—it's easy to say it today—was the

partnership that was needed, that would have been needed between men who, by trade or by profession, are truly engaged in society. There are many theories, but there, we maybe haven't taken that into consideration, because, if there had been such an arrangement, it's my impression that the educational reform would have gone on much less rapidly, yet perhaps with more efficiency. Take the question of teachers, for example; all the changes that required the primary school teachers to take re-training and God knows, quickly, in order to be able to adapt; that's a problem. There's also the question of investment in education: the capacity, if you will, of the people of Quebec; the capacity of the government to absorb the additional costs of education. There was a rate at which to move for all that to hold up, for everything to adjust. We certainly won't be able to go on indefinitely in the Quebec Department of Education, absorbing so much money for educational reform. We must absolutely consider slowing down in order to provide economic development. Otherwise, we're going to find ourselves probably with insoluble problems, definitely insoluble.

Mr. Arthur Tremblay, the Deputy Minister of Education, last year raised this problem at a conference of the Centre de dirigeants d'entreprise (company managers' center) where I participated with him as a panelist. He made a projection of what the Department of Education in Quebec might cost in four, five or ten years, I don't remember any longer, compared to the whole budget for the province. It's amazing. We're off in the direction of growth that's way out of line compared to the needs of economic development, etc. So, that's the feeling to some extent now in Quebec. People feel, independently of the political parties, that there's a period of adjustment There's obviously a desire at this time to make adjustments.

Mr. Bernier: Also in order to plan (I think that's a word that's in fashion, perhaps too often in fashion) there have to be several persons around the table. We can hardly plan, in one sealed room, the development of education in relation to economic development, and plan economic development in relation to social development in another sealed room. I think we're in open systems in which each of the parties influences the others, and the planner has an integration to make which isn't easy.

[Text]

Mr. Desbiens: There is another point, too. The Parent Commission Report—

The Chairman: On Education.

Mr. Desbiens: They had established at first that it would take about 15 to 20 years for implementation, but they did it in five years and it produced very well educated youngsters. Most of those speak only French, so they cannot go to Ontario or the States or to any other province in Canada, so they got locked there. I know people with university degrees who have been out of work for six or eight months and you can imagine what is going on in the heads and minds of those people.

Senator Carter: I have two more short questions. I think the witnesses have agreed with you, Mr. Chairman, and with the committee, that of all the claims on financial assistance from the Government, the poor should get priority. That is still a very big item, to take care of all the poor. We might have to choose priorities among the poor. If we have to choose priorities among the poor, we different types of priorities. We have the disadvantaged, who are not able to work and have no chance to get into the labour market. We have the unemployed, the mothers and heads of families. And we have the working poor. With regard to people, we have these three categories.

On the other side we have services. We need urgently better schools for the poor. We need day care centres and we need, as you have said, the neighbourhood clinics.

Of all these conflicting demands, how would you sort them out into priorities?

The Chairman: Senator Carter, I know that the translations are not good, but if you look at page 11 at the bottom, I think you will see they have made a choice. It starts there with the words "Although theoretically..."

#### Senator Carter: They say:

Although theoretically we would prefer a minimum guaranteed income for all, unfit and fit alike, still we feel that in the absence of a comprehensive plan we should at least immediately ensure all those who are utterly unable to work of a minimum income.

You take the disadvantaged people first, that is your first priority.

The Chairman: In the rest of the sentence there, I gathered that they make that the first priority.

Mr. Desbiens: That is right.

Senator Cook: Would you put family allowances next?

#### [Translation]

Mr. Bernier: I think we are, at that point, in an internal organization, a total social security system. So I think that necessarily has to be adapted to the overall priority. First, we set the overall priority on the war against poverty; within that, we should establish other, sub-priorities. That's where I'm quite in agreement, given the means at our disposal. But we can't make sub-priorities until we've tied the war against poverty to the overall priority. We are then on the technical level, if we have to permanently favor those who receive family alowances, of those unable to work. Must we give services to those unable to work, more than assistance? Perhaps yes. We're inside a system, and at that point there are different possibilities.

#### [Text]

Senator Carter: I would like to follow up that. It might be the most humane approach, from the humanitarian point of view, to have had this particular group, but from the practical approach, to try and have the best chance of coping with the problem as a whole, would it not be better to help the working poor and keep them from getting into the welfare net? When they get in they probably cannot get out.

The Chairman: Do you understand the question?

Mr. Desbiens: If we can prevent that, that is for sure.

The Chairman: No, no, he is asking how do you prevent it.

Mr. Desbiens: I see.

[Translation]

Mr. Bernier: Our brief doesn't go into all the details. Unfortunately, we would have wished to go further in the sub-priorities, or in the comments. Right now, I must admit that we don't have the means to satisfactorily answer your question. It nevertheless remains that when we mentioned that we mustn't dissociate economic measures, saying that it's a priority, from social measures, lowering their priority, we've given a kind of answer, i.e. that what counts is economic and social development considered as one, and the two measures should not be dissociated. Naturally, economic development is a preventative and must take place.

[Text]

The Chairman: I know. You have not dealt with the problem there, and have not given it too much thought.

Mr. Desbiens: I know this is not a perfect answer to your question, senator, but in the private sector in Montreal we have a few projects right now. I had meetings on two of them, with a citizens' group, about quick relief. It is like the St. Vincent de Paul Society, who came here to give evidence. They have been giving food coupons to these people for five or six years and they want to get away from that. I know that in five parishes they are assigning a couple to a family which has been on welfare for five or six years. They are trying to deal with the preventive aspect of this whole thing and use all the resources available. We can say that we have very valuable resources over the past few years. This is only beginning, actually. The Province of Quebec Government-and Mr. Laporte was present at a film they made on thisthey evaluated that about 5,000 people last year who were non tax producers had now come in. Mr. Laporte said "I know they have been rehabilitated now in society because they are paying tax now".

The Chairman: The question asked by Senator Carter is a very vital one but you have not had any real experience with it in the Province of Quebec and we can understand you failure to come up with an answer. Frankly, we have not got the answer to it ourselves.

Senator Carter: I was trying to pick their brains.

The Chairman: Yes, senator, but they passed on you, on that one.

Senator Carter: Will they think about it, and let us know?

The Chairman: Yes, sure. You understand the question, do you not?

Poverty

Mr. Desbiens: Yes.

The Chairman: Of course you must, you would not be here if you did not.

I am afraid you have missed your plane, anyway.

Senator Fournier: I find it is of very little use to ask questions when we already have the answers. This is just a conversation.

The Chairman: They realize, too, that we have had many answers.

Mr. Desbiens: Of course, we are not the first group to appear before you.

Senator Fournier: But I must say, Mr. Chairman, that Miss Forget made a statement that I heard for the first time when she described the school system and the coming graduation and the relationship of that to the people in the working class. I thought that was a very vital statement.

**Senator Hastings:** That statement has been made before, Senator. You were just not listening. It takes a lady to get your attention.

Senator Fournier: Well, that is something.

The Chairman: Gentlemen and Miss Forget, on behalf of the committee I wish to extend our appreciation for your coming this morning. You understand that the questions put to you were for the purpose of "picking your brains", as Senator Carter has put it.

May I say that you have the capacity to express yourselves well, and we appreciate your concern and your interest and your enlightened views. Many people will read the record and know exactly what you are saying.

Your statistics are not as good as they might be; although I did not discuss them with you, I did look at them carefully. You could do a little better on statistics, but since others have brought them up to date that does not really make too much difference. Nevertheless, your activities are very important, not only to the poor of Quebec and Canada but to the people of Canada as a whole, in making sure that the poor people are helped.

We have now reached the point where we have pretty well made up our minds in Canada that we have to do something to help the poor. We are not quite clear just what we are going to do, but we are going to do something about poverty in this country, and people like you can help us bring some alleviation to those who are particularly plagued by the curse of poverty.

Thank you very much for coming this morning.

Mr. Desbiens: Thank you, Mr. Chairman and honourable senators.

The Committee adjourned.

#### APPENDIX "A"

Conseil de bien-être du Québec (Quebec Welfare Council). Brief Submitted to the Special Committee of The Senate on Poverty, Montreal 1970.

#### INTRODUCTION

The Conseil de bien-être du Québec is an organization created in 1966 to elaborate and disseminate social thinking which favours the study of social problems and the participation of the population.

The Conseil de bien-être du Québec groups together various categories of members, making possible a representation which is both regional and sectorial. Since 1966, it has devoted itself to studying the problems of poverty, childhood and housing, and to certain questions of more particular interest to one category of its members': participation, social activity and planning.

To meet the request of the special committee on poverty formed by the Senate of Canada, the Conseil de bien-être du Québec has called upon different persons with an interest in the question. The ad hoc committee established for the purpose was composed of:

Miss Françoise Marchand, Assistant General Manager of the Conseil de développement social du Montréal Métropolitain (Social Development Council of Metropolitan Montreal)

Mr. Alfred Rouleau, President of the Assurance-Vie Desjardins and the Assurance-Vie La Sauvegarde Mr. Paul-Marcel Gélinas, Director of the Canadian Mental Health Association

Mr. Denis Tremblay, architect and town-planner in Sherbrooke

Mr. Yvon Belley, Director of the Conseil de développement social du Montréal Métropolitain

Mr. Roger Leger, Professor of Philosophy at the University of Montreal.

The CBEQ does not claim to be presenting an exhaustive study nor to be providing a solution to the problem of poverty in Canada. However, insofar as its humble means permit, it is putting to you some items for reflection on various forms of poverty and foundations for the outlining of solutions.

#### POVERTY

Poverty in a country like Canada can today no longer be considered merely on the individual plane as was done in the past when it was more generally the result of personal misfortunes: sicknesses, disabilities, excessively heavy family responsibilities in relation to incomes, or families deprived of support by the death of the father, or else it was caused by lack of foresight, idleness or drunkenness. Without overlooking these various causes, which will always be applicable to a great number of poor people dependent on public assistance, it is today generally acknowledged that poverty, for most of its

victims, comes from several causes not associated with the individuals who suffer from it and which they are incapable of escaping.

Most of the "poor people" in Canada, as in the other industrialized and urbanized countries that enjoy a very high standard of living, are the involuntary victims of a competitive society and an economic and social regime whose labour market has been unable to absorb them by providing them with a suitable situation or who have not been capable of integrating themselves for a variety of reasons: e.g., lack of education and technical training on the one hand and, on the other, insufficient demand corresponding to the abilities of the labour force. It is also necessary to add to these causes the rapid changes that have occurred in our society through industrialization and urbanization, and the vast population migrations these changes have brought about, attracting to the cities a population ill-prepared for highly industrialized urban life. Lack of job planning and labour training, and also of social investments, has created and accentuated the imbalance whose first victims are those we call the "poor" in our affluent society.

The assistance measures advocated to make up the inadequate incomes of the under-privileged persons and families should, in our opinion, be merely temporary relief measures intended to help them for as long as their situation requires it and economic and social conditions are such as to necessitate these measures.

Yet we feel that it is abnormal and inacceptable that such a large part of the population of our country has to live partly or wholly on subsidies deducted from the incomes of other citizens, and that it will be necessary to find means to enable all citizens fit and able to work to have the opportunity of earning their living by their work. Along with the Economic Council of Canada, we are of the opinion that the problem of poverty in Canada requires the creation of a sufficient number of paying jobs. Insofar as private enterprise is proving unable to provide the necessary jobs, we think the Governments should attend to it by creating them through public works from investments in community developments, etc., so as to make up for all the deficiencies and fill all the gaps necessarily left by free enterprise working for individual gain.

#### 1. Possible Elimination of Poverty

Certain studies have determined approximately what it would cost to raise the existence of all Canadians to a decent standard of living. It has been shown that it would cost about 1.55 per cent to 2 per cent of the G.N.P. to ensure all Canadian families of a minimum income of \$3,000. At the national conference of Boards of Trade in Halifax in 1969, the economist Otto Thur¹ with figures to support his thesis, proved that (on the basis of 1965 statistics) it would cost \$1,881,000,000 to ensure a minimum income of \$1,500 for a single person and \$3,000 for

<sup>&</sup>lt;sup>1</sup>The Regional Welfare Councils and the United Appeal Organizations

<sup>1</sup> See tables in appendix

a family while maintaining a system of bonuses for the wage-earners making an inadequate wage.

The bonuses would be:

\$300 for an individual earning between \$1,500 and \$1,999 and

\$150 for an individual earning between \$2,000 and \$2,999.

In other circumstances, the bonuses would be:

500 for a family whose income is between 3,000 and 3,999 and

\$200 for a family whose income is between \$4,000 and \$4999.

Without bonuses, the programme would cost \$1,426,000,000 instead of \$1,881,000,000.

According to Mr. Thur, by raising the minimum income to \$2,000 and \$4,000, it would cost \$3,614,000,000. The work incentive bonuses would be about \$400 when the individual earns between \$2,000 and \$2,999, and \$200 when he earns between \$3,000 and \$4,000. As for families, the bonuses would be \$600 for families whose incomes are between \$4,000 and \$4,999 and \$300 for families earning between \$5,000 and \$5,999 and \$150 for those earning between \$6,000 and \$6,999. Without bonuses, such a programme would cost \$2,812,868,000.

As can be seen, Mr. Thur's figures are close to those which maintain that it would cost from 1.5 per cent to 2 per cent of the G.N.P. which stood at \$67,368,000,000 in 1968 and has been increasing at the rate of 4 to 5 billion since 1960.

If we consider the conclusions of the two most recent reports from the Economic Council of Canada, it is clear that poverty as it is known in Canada is unjustifiable. The Economic Council feels that this continuation of poverty in our immense and rich country is a matter for shame (a disgrace) and a source of impoverishment for the entire Canadian community.

The Economic Council, the Canadian Welfare Council and the Conseil de Développement Social du Montréal Métropolitain maintain that we have the means for overcoming poverty in Canada. What is lacking is willingness on the part of the masses.

## 2. Social Right to a Decent Living: Moral Choice and Political Decision

What can be done in such a situation? We feel that the triumph over poverty has become a political matter involving a choice or decision to be taken at the political level. We have the knowledge and the wherewithal for conquering poverty. It is therefore a question of inducing the authorities, who hold the power, to take the necessary decisions after they have placed the elimination of poverty at the peak of their priorities. It is important to see to it that people cease to oppose economic and social measures, a frequent practice of political leaders to justify their failure to take action in the "war against poverty". We support this statement of the Canadian Welfare Council in "Les Politiques Social du Canada" (Canada's Social Policies):

Neither economic measures nor social measures can independently secure the well-being of the population. As expressed by the Economic Council of Canada, improved social welfare programmes and economic expansion are not really alternatives.

Reuben Baetz, Director of the Canadian Social Welfare Council, adds that the elimination of poverty, as well as being an economic and social question, is also a moral and philosophical question. In the magazine Canadian Welfare for December 1969, he wrote the following: "Yet ultimately our decision as to whether or not we will seriously set as our goal the provision of some adequate income floor below which no Canadian will fall is not only a social and economic question. Equally and perhaps most important, it is a moral and philosophical one. It is at this level where all our social policies originate, and as long as we waffle at the philosophical level, we will continue to waffle at the policy and program level, with the resulting gigantic ad hocery.

Our computers may graphically depict for us the extent to which some Canadians are existing below an adequate level of income while the majority live in relative and growing affluence. But until we find this situation morally offensive and unacceptable, we will merely continue to view it with cold detachment."

Mr. Baetz maintains that some, starting from a pessimistic and cynical vision of man, object to the Guaranteed Annual Income as a social right on philosophical grounds, fearing that man may take advantage and that society, may degenerate as a result of the recognition of this right. He establishes a parallel with the philosophical objections raised in past centuries as to political and civil rights. However, history has shown that, apart from a few exceptions, men have not taken unfair advantage of these rights and that economic and social progress do follow.

From all that has just been said, it follows that the decision to eliminate poverty-which is tantamount to recognizing every citizen's social right to a decent lifemust be the subject of a political choice. All the endless discussions on the modalities and the means of attaining that end are very often mere evasions and proof that the objective to be attained and the philosophy behind that objective are not accepted off-hand. The most obvious example of this fundamental philosophical resistance is the excessive fear generally shown with regard to the decreasing liking for work, which people seek to prevent with complex work-incentive measures. However, poverty affects hundreds of thousands of citizens in no wise able to work. At least 75 per cent of all persons on social welfare in all the provinces-living well below the threshold of poverty-are disabled or sick persons, abandoned wives or prematurely old people. All the discussions on the wonderful "work incentives" are inapplicable here. Then why not do as in New Brunswick where they have just proposed a minimum guaranteed income for all those poor people. Persons on social welfare were divided into two categories, the first comprising all those unfit for work who are provided with a higher amount than that awarded to those fit for work. Although theoretically we would prefer a minimum guaranteed income for all, unfit and fit alike, still we feel that in the absence of a comprehensive plan we should at least immediately ensure all those who are utterly unable to work of a minimum income. It would be a big step in the right direction and would prepare the way for others. To be sure, one cannot allege that the fear of reducing the liking for work (the major objection raised by all opponents of the guaranteed annual income) applies here. All the opposition to the place of the minimum guaranteed income for persons unfit to work clearly reveals that access to a decent standard of living is not accepted as an actual right.

#### 3. Inhuman Facets of Poverty:

Seeing that the elimination of poverty is as much a philosophical and moral question as it is an economic and social one, we would like to set out briefly certain situations that ought to prompt the authorities to react postively in the presence of poverty and lay down the necessary political moves. These situations clearly indicate the seriousness and the human cost of poverty.

1. 2,809 social welfare cases out of 14,601 in Montreal (in January 1966) were women, heads of families, deserted by their husbands or whose husbands were hospitalized, deceased or imprisoned.

(Source: Montreal Social Welfare Department)

2. 90% of Montreal Social Welfare recipients in January 1966 were in that position for medical or other reasons that prevented them from earning their living.

(Source: La Presse, September 26, 1968)

3. Mortality in children under 1 year old (per thousand children) in 1964 amounted to 50 in the under-privileged Papineau district and to 28.5 in the under-privileged St-Henri district, whereas in the privileged Notre-Dame de Grâce district, it was only 12.2. (The average for the whole of Montreal was 19.9)

(Source: Health Department, Demographic Division)

- 4. The medico-social investigation conducted by the Montreal Health Department in 1965-1966 amongst Grade I children of a school in an under-privileged environment shows that:
- -44% of the families have an inadequate diet—that is to say, the families were not able to satisfy their hunger;
- -20% of the children did not speak until after the age of 3;
- —a large number of children were not of normal weight or size;
- —more than half showed language difficulties—vocabulary, understanding and expression;
- —40% presented psychic irregularities—disturbed sleep, shouting in sleep, nightmares, restlessness, etc. (Source: *Opération Rénovation Sociale* (Operation Social Renewal), page 108)

- 5. In 1962, 36 per cent of the families in St-Henri
  - 34 per cent of the families in Centre Town 12 per cent of the families in Pointe St-Charles
  - 11 per cent of the families in Mile-End
- 10 per cent of the families in South Centre were living in real slums or uninhabitable dwellings. We are not talking about housing in need of repairs, the proportion of which was much higher yet. (Source: Economic Research Corporation, 1962, taken from Opération Rénovation Sociale, page 177)
- 6. 73% of Montreal social welfare recipients had no schooling beyond Grade 7.

(Source: Montreal Social Welfare Department, 1966)

7. Only 31.7% of the youngsters in families on welfare attended high school in 1966 as compared with 68.8% for all families in Montreal.

(Source: School Performance of Children—The Canadian Welfare Council—1966)

8. More than 90% of the families receiving social welfare have children, whereas the national average is 70%. Almost 6 times as many single-parent families are met with as for Canadian families as a whole. Families on social welfare spend 47% of their income on housing alone.

(Source: The Housing Conditions of Public Assistance Recipients in Canada, 1968; Some Preliminary Findings, Canadian Conference on Housing, October 1968).

4. Inflation: New Objection to the "War Against Poverty"

There is a risk that the struggle against poverty will slacken off during the years ahead because, according to many prophets, the new decade will be marked chiefly by the war against inflation. Strangely enough, some will have it that it is the poor and the "small wage-earner" (that is to say, those who spend least) who keep this new war going. Already some political leaders have spoken of restricting expenditure on the item of social security and, indeed, even of allowing an increase in unemployment.

Like the Economic Council of Canada, we do not agree that the downward trend in production (which usually begets a rise in prices) and the upward trend in unemployment (which can lead to a recession) should be the leading methods used to fight inflation. As the eminent American economist Friedman proved in a recent special issue of "Times", it is much more a question of controlling a moderate and ongoing economic development than of putting a radical halt to development, which can only lead to considerable unemployment and disaster.

As Galbraith has already written, the Americans have accepted inflation to carry on two wars (the world war and the war in Vietnam), so why would they not accept a certain amount of inflation, if necessary, to wage the "war against poverty"—a war as vital to the survival of western societies as the struggles of the past. Once again, we see that the elimination of poverty is intimately bound up in a moral choice.

Whatever the arguments put forward, the Conseil de bien-être du Québec cannot agree that the "war against inflation" should be saddled on the poor and that measures for social improvement be delayed for that reason. Besides, it might be that more liberal social measures are a way of curbing the expenses of the privileged classes which have a much greater responsibility for inflation than the poor classes who have necessity to limit themselves to essential expenses.

Moreover, there are many contradictions between the economic theory invoked to justify the measures advocated for fighting inflation on the one hand and the attitudes of the public and business to those measures on the other hand. While restrictions in investments and on the item of consumer expenditure are advocated, and a credit squeeze and an increase in interest rates enacted, the manufacturers and business-people are seeking to expand their turnovers and profits and the workers to raise their wages. Correspondingly, advertising of a continually more encouraging nature urges the public to spend heedlessly, even though on credit.

We feel that any so-called austerity measure aimed at combatting inflation by a curtailing of economic activities is questionable. On the contrary, measures calculated to ensure the full use of our economic and human resources should be advocated so as to obtain the greatest possible amount of consumer goods, services and social capital. If social assistance is to come mainly from transfer payments made by the Governments out of public funds—originating in taxes and duties—taxable incomes should be maintained at the highest possible level, and it is consequently necessary that they rise and particularly that they be better distributed over the various strata of society. But it will not be possible to attain these objectives by slowing down and paralysing economic activities and by "reducing expenditure".

Be that as it may, from the moral and philosophical standpoint, we cannot agree that a so-called highly developed system has to engender poverty in order to overcome inflation—unless the system is poor and irreparably deficient.

#### 5. Outline of a Solution

We feel that our society has the knowledge and the wherewithal to dispose of poverty. There is no *single* solution or magic formula for eliminating poverty.

The preferred solutions put forward in the United States and Canada are as follows:

(a) To ensure the guaranteed annual income by the formula of negative taxation, a measure likely to change the existing system throughout.

Through taxation, and hence through the Department of Revenue, the Government would do away with all the existing social security measures and would pay all citizens whose income is below the recognized minimum income the money necessary to make up the deficit. The system would be relatively simple. It would involve a simple written statement on the part of the applicants. As in the field of

taxation, persons making claims for funds from the Government will be subjected to the usual checking by Department of Revenue officials. It would still be necessary to establish certain modalities in order to procure these funds rapidly for applicants whose financial need is imperative.

- (b) To ensure the guaranteed annual income through the universal measures and the other social security measures.
- 1. In the United States, family allowances are preferred as one of the universal measures most likely to do away with poverty in a host of families. In Quebec, too, this measure is favoured as a means of eliminating poverty in many instances. According to Jacques Henripin, family responsibilities are the chief cause of poverty. By establishing a very generous system of allowances, the main cause of poverty in Quebec would therefore be eliminated. It would be necessary to "triple" present family allowances to attain this objective-i.e., the Federal Government would see its family allowance budget climb from \$612,000,000 to \$1,836,000,000. For example, the Federal Government could find part of the additional funds by abolishing the \$300 tax exemptions for dependent children, a step which, according to the Dominion Bureau of Statistics, would provide it with an additional income of \$452,000,000 applicable to the new family allowances. (Anyway, the present exemptions are much more beneficial to the "well-heeled" than to the small wage-earner. The \$10,000 to \$12,000 wage-earner has a \$105 tax exemption for a child, whereas the \$4,000 wage-earner receives a \$35 exemption only). In addition, the Government could recover a substantial part of the new family allowances through taxing high-income families.
- 2. The raising of the minimum wage and work-accident allowances would also avert poverty in a number of families.
- 3. Increased and extended benefits, covering still more workers, on the item of unemployment insurance could also prevent poverty in a number of cases.
- 4. The setting up of a system of wage insurance in case of sickness would prevent many families from becoming social welfare recipients. As a matter of fact, a very large proportion of social welfare recipients, as we have already shown, are sickness "casualties".
- 5. Higher rates of assistance to women who are heads of families, i.e., the widows and deserted women, would do much to clear up the problem of poverty in this large category of social welfare recipients (a yearly income check would suffice in all cases). The same policy could be adopted with respect to families where the father suffers from a disability or chronic sickness.

If all these changes were made, there would still be a minority of poor people who need much more than money to get out of their condition, and then the social workers and welfare officers, already more numerous, could devote their energies to the social betterment of these poor people by such measures as the search for suitable employment, retraining and social rehabilitation in all its forms. The welfare services, freed of a multitude of cases who would be adequately assisted by the main social security measures, could devote their time to social development projects, manpower mobility and, indeed, even urban renewal and economic development. Pending the return to normal life of this latter category of poor people, a system of social assistance including work incentive formulas should be implemented.

#### Conclusions

The CBEQ realizes that such a change in the social system would inevitably be very costly, but we feel that there is no alternative. A society in which one citizen out of five lives in a state of deprivation must make substantial changes without being committed to other, much more dangerous and painful upheavals. We feel that the elimination of poverty should be placed at the peak of priorities in the new decade, that we have the knowledge

and the financial means to do away with poverty, and that the time has come to recognize access to a decent life or guaranteed annual income as a social right on the same basis as the other fundamental rights of man.

The CBEQ for its part, undertakes to do everything possible to prepare public opinion for this political decision which has to follow what is as much a moral and philosophical choice as it is a social and economic option.

Together with the Economic Council of Canada, we repeat that poverty impoverishes not only individuals but the whole of society.

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- Social right to a decent living: moral choice and political decision
- 3. Inhuman facets of poverty
- 4. Inflation: new objection to "the war against poverty"
- 5. Outline of a solution

Conclusions

#### APPENDIX "B"

Supplementary Information to The Special Senate Committee on Poverty submitted by Victorian Order of Nurses for Canada 5 Blackburn Ave., Ottawa. October, 1970.

- 1. On June 4, representatives from the V.O.N. for Canada appeared before the Special Senate Committee on Poverty to speak to their brief which had been submitted earlier. At the conclusion of the Hearing, the Chairman of the Committee asked that supplementary information be submitted showing minimum income levels for families of varying size and living in rural and urban areas.
- 2. To comply with this request regional staff were asked to secure a sampling in their areas. No examples were obtained from Newfoundland, Quebec or British Columbia. In reviewing the information submitted it was at once evident that there was no common denominator by which a minimum income level could be determined for any family in any given area. The composition of the family, i.e. number of adults, the number and ages of the children, whether the home was owned, being purchased or rented, had a definite relationship to the adequacy of income to expenses.
- 3. It has been suggested that no more than 60 per cent of the income should be spent on shelter and food if an adequate standard of living is to be attained. In the sampling of families it was found that these two items ranged from 60 per cent to 100 per cent with a large majority being over 75 per cent.
- 4. In addition to food and shelter some families were paying a large amount of their income for drugs and medical insurance. Many had debt payments. Utilities varied a great deal depending on rental or ownership.
- 5. In some provinces families receiving welfare assistance had all their medical care and drugs covered, in some there was only partial assistance.
- 6. Families and single persons living in public housing may or may not have rents geared to income. One aged woman whose income was \$124 per month had notice of a \$13 or 17 per cent increase in rent. Another woman's rent was raised \$5 a month because her son had a paper route and his earnings were included. A 72 year old woman received the O.A.S. to a total of \$106.41. She is a diabetic and receives daily visits from the V.O.N. Because she has savings of \$2,400 she is not eligible for assistance for nursing service under the Homemakers and Nurses Services Act and the V.O.N. provides free service.
- 7. A couple with two retarded children pay \$15 a month each to have them transported to a special school. The total income is \$294 per month.
- 8. Women who are household heads have a particularly difficult time in maintaining standard of living. A mother with four children was deserted by her husband 2 years ago because he could not cope with his financial and family responsibilities. Welfare payments to the wife

amount to \$346—\$279 of which is spent on rent and food. The husband who is unemployed receives \$212 as a single person.

- 9. Families living in a house with some arable land are able to have a garden which supplements their budget during the summer period; also in the summer season there are no heating bills so that there is an easing up of expenditures in both these areas and families are able to buy other necessities.
- 10. On the attached table we have shown the range of expenditures for families of varying size. As mentioned previously there is no common denominator on which to base a universal income level for existence. In our small sampling income levels for one adult ranged from \$75 to \$205 and all were considered to be living at the poverty level. The woman living on \$75 a month had her own home and her children provided for many of the usual necessities. Another woman living on \$111.42 a month spends a week with a daughter when she runs out of food because of having to buy other basic necessities. This she does several times a year. The person who is living on \$205 a month pays \$145 for taxes on her home, fuel and food, leaving \$60 for insurance, telephone, transportation, clothing, etc.
- 11. The two adults who live on \$126 a month are able to do so because the mother is bedridden, eats very little, requires no clothing except nighties and has her medications paid for. However, the daughter must pay for her own hospital insurance premium. There's no indoor plumbing at all, no telephone and the daughter seldom gets out. Clothing is provided by other family members and most of it is second hand. In spite of this minimum income the home is neat and clean and the mother well cared for.
- 12. The couple who have an income of \$396 live in a rented apartment and food and rent amount to \$260. Insurance is \$16 a month and transportation \$50. The husband is working and drives a car. They have \$25 a month for personal items, recreation and church.
- 13. The couple with one child who live on \$119 a month are on welfare plus a small amount from Workmen's Compensation. They own their own home and taxes amount to \$20 per month, fuel another \$20—most of the remainder goes for food with nothing left for clothing or other basic amenities.
- 14. The couple with one child who have an income of \$381 per month are buying a home and have mortgage payments of \$98 a month, plus \$35 for heat, light and water, car payments of \$60, insurance \$30. Their budget allows \$10 a month for entertainment and incidentals. The wife has multiple sclerosis and is limited in what she can do.
- 15. The couple with two children with an income of \$262 a month live in a public housing unit where rent, heat and water amount to \$87 and food \$112.

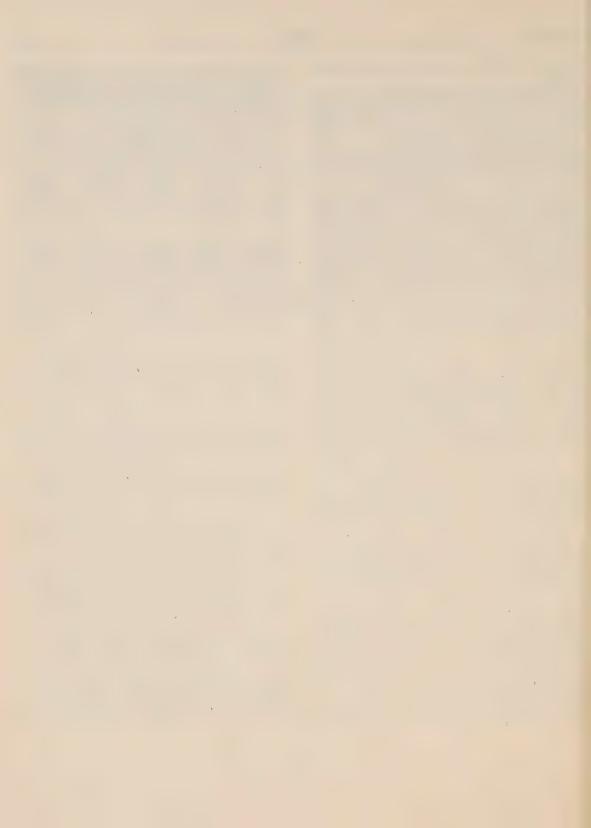
The husband works full time. The children are preschoolers.

- 16. The family with an income of \$532 also have two pre-schoolers and the wife works part time. Their rent is \$200 a month and food \$120. Loan and car payments amount to \$120 a month. They get help with clothing and extras from grandparents.
- 17. The family with 9 children and an income of \$502 pays \$134 for rent and \$200 for food. Their debts amount to \$69 a month. The husband works full time and they are managing without assistance.
- 18. It can be seen from these examples that many factors are involved, the greatest of which may be the human one to make the most of every available management facility. In every instance there was a minimum of financial resources for basic needs and practically none to develop a healthy, normal existence.
- 19. The availability of work which will provide a liveable income or a training program so that employ-

ment may be obtained would alleviate to some extent the incidence of poverty. In addition to this, assistance to the mother in household management, food preparation and budgeting would have great value in improving the health of families on minimum incomes.

## RANGE OF MONTHLY EXPENDITURES FOR FAMILIES OF VARYING SIZE ACCORDING TO SAMPLING IN SIX PROVINCES

1 Adult	2 Adults	2 Adults 1 Child	2 Adults 2 Children	2 Adults 3 Children
\$ 60-\$205	\$126 <b>-</b> \$396	<b>\$</b> 119 <b>—\$</b> 381	\$272 <b>-\$</b> 532	\$275-\$443
2 Adults 4 Children	2 Adults 5 Children	1 Adult 4 Children	3 Adults	2 Adults 9 Children
\$317 <b>-</b> \$735	\$587	\$205	\$111	\$502-\$652





Third Session—Twenty-eighth Parliament
1970

### THE SENATE OF CANADA

PROCEEDINGS OF THE SPECIAL SENATE COMMITTEE ON

# POVERTY

The Honourable DAVID A. CROLL, Chairman

( T. 1510

No. 6

WEDNESDAY, OCTOBER 28, 1970

# MEMBERS OF THE SPECIAL SENATE COMMITTEE ON POVERTY

The Honourable David A. Croll, Chairman

The Honourable Senators:

BélisleHastingsCarterInmanConnolly (HalifaxLefrançois

North) MacDonald (Queens)

Cook McGrand
Croll Pearson
Eudes Quart
Everett Roebuck
Fergusson Sparrow

Fournier (Madawaska-Restigouche, Deputy Chairman)

(18 Members)

(Quorum 6)

### Orders of Reference

Extract from the Minutes of the Proceedings of the Senate, Thursday, October 8, 1970:

With leave of the Senate,

The Honourable Senator Croll moved, seconded by the Honourable Senator Fergusson:

That a Special Committee of the Senate be appointed to investigate and report upon all aspects of poverty in Canada, whether urban, rural regional or otherwise, to define and elucidate the problem of poverty in Canada, and to recommend appropriate action to ensure the establishment of a more effective structure of remedial measures:

That the Committee have power to engage the services of such counsel, staff and technical advisors as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, and to report from time to time;

That the Committee be authorized to print such papers and evidence from day to day as may be ordered by the Committee, to adjourn from place to place, and notwithstanding Rule 76(4), to sit during sittings and adjournments of the Senate;

That the evidence taken on the subject during the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Bélisle, Carter, Connolly (Halifax North), Cook, Croll, Eudes, Everett, Fergusson Fournier (Madawaska-Restigouche), Hastings, Inman, Lefrançois, MacDonald (Queens), McGrand, Pearson, Quart, Roebuck and Sparrow.

After debate, and—
The question being put on the motion, it was—
Resolved in the affirmative.

ROBERT FORTIER, Clerk of the Senate.

## Minutes of Proceedings

Wednesday, October 28, 1970

Pursuant to adjournment and notice the Special Senate Committee on Poverty met this day at 9.00 a.m.

Present: The Honourable Senators Croll (Chairman), Carter, Cook, Eudes, Fergusson, Fournier (Madawaska-Restigouche), Hastings, Inman, Lefrançois, McGrand and Pearson. (11).

. Also present: The Honourable Senators Casgrain, Isnor, Kinley, Kinnear, Smith and Urquhart.

' In attendance: Mr. Frederick J. Joyce, Director.

The following witnesses were heard:

Saskatchewan Newstart Inc.

Mr. D. Stuart Conger, Executive Director;

Mr. E. P. Sloan, Research Consultant, Social and Human Analysis Branch

Mr. and Mrs. Alfred Basque, Tracadie, N.B.

The briefs presented by the Saskatchewan NewStart Inc. and that of Mr. and Mrs. Alfred Basque were ordered to be printed as Appendices "A" and "B" respectively to these proceedings

At 12.30 p.m. the Committee adjourned until Thursday, October 29, 1970 at 9.00.

ATTEST:

Georges A. Coderre, Clerk of the Committee.

## The Special Senate Committee on Poverty

### Evidence

Ottawa, Wednesday, October 28, 1970.

[Text]

The Special Senate Committee on Poverty met this day at 9 a.m.

Senator David A. Croll (Chairman) in the Chair.

The Chairman: I call the meeting to order.

We met Mr. Conger in Prince Albert when we visited the Saskatchewan NewStart, with which we were very impressed. He had some further ideas, and I thought it valuable that we should hear him again. He is the first one who has been asked to make a second appearance. He is Executive Director and Chairman of the Board of Directors of the Saskatchewan NewStart which, from our observation, is by far the best one in Canada at the present time. You have a statement to make, Mr. Conger?

Mr. D. Stuart Conger, Executive Director, Saskatchewan NewStart Inc.: Yes. Thank you very much, Senator Croll.

Honourable senators, it is an honour to appear before you again. The committee's visit to Saskatchewan NewsStart in August is still very much alive in our minds as one of the really great highlights of our existence. As a matter of interest I asked Mr. James Vickaryous, who you will recall is the Supervisor of Life Skills Training, what the reaction of the adult students was to your visit last August. He replied that the students were surprised and pleased that you reacted positively to them. They were impressed with the warm, personal way you interacted with them; and they felt this very strongly because they believe the Life Skills exercise in which you participated was new to you, and because they felt that you are of a much superior status to them.

They were impressed with the sincere interest you took in your talks with them, and they were also amazed, Senator Croll, that you would invite them to attend the formal hearing that followed that Life Skills exercise.

Mr. Vickaryous summed it up by saying that the adult students saw your visit as positive evidence that the Government is actually interested in them as individuals.

I think it is very significant that adults who are taking the program which touches them in many personal ways, as you know, should be surprised that the Government is interested in them as individuals. Most of these people have in their lives been the recipients of Government welfare and other programs, but it was only when you visited them that they felt the Government was really interested in them.

Why is this? I think there is a reason for it. I think it is directly relevant to the brief which I have submitted and, of course, to the work of your committee.

First, it seems to me to be a phenomenon of our times that many citizens feel alienated from our social institutions—our schools, our welfare agencies, our churches, housing authorities, governments, etcetera. In part, this alienation derives from two sources: the first, the gap between the intent of politicians and the jurisdictions of the implementing agencies and the second, the gap between the intent of programs and the methods which are used which often dehumanize the person presumably being helped.

In respect to the first point, politicians tend to express themselves as supporting national social objectives, and adopt catchy slogans such as "elimination of poverty", "War on Poverty", "the Just Society", and 'Equality of Opportunity". In the process of developing enabling legislation these ideas are distorted to accommodate existing legislation, jurisdictions and constitutional prerogatives.

While there is some distortion or dilution of the social objectives in the legislative process it is in the implementation that the real damage is done. By the time a program is made operational it bears little relationship to the original objectives of the politician—which was to do something for the people.

The "action" of the war on poverty has been divided according to standard jurisdictions of federal, provincial and local government levels, and at each level divided again according to agency jurisdictions such as education, welfare, health, and agriculture. Thus the war on poverty resembles more of a guerilla war than a national crusade.

For instance, at the federal level alone different agencies and operating departments have responsibility for various aspects of poverty—Secretary of State, Manpower and Immigration, Health and Welfare, Regional Economic Expansion, and Indian Affairs and Northern Development, to name but a few. There is no focus of responsibility and authority. The result is the "cop-out" phenomenon whereby each agency interprets its legislation in such a way as to narrow its area of involvement as much as possible, and diligently recognizes the jurisdictional prerogatives of other agencies. As a result no comprehensive planning or programming can be achieved. Inter-departmental committees and task forces are a poor substitute for a focal point of responsibility and authority vested ultimately in one cabinet minister.

Similar jurisdictional problems exist at other levels of government.

Policy formulation is placed mainly in the hands of economists who translate social problems into economic problems, and program conceptualization is limited to money and other resource allocation. Partially because of the predominance of economic thinking and of economists in the higher echelons of the federal civil service, the social objectives of the Government become translat-

ed into economic objectives. These are then expressed in economic programs such as manpower development, labour force participation, job creation, industrial and economic development and incentives to industry for the employment of native people. The economic tools of money and resource allocation become ends in themselves rather than means to the achievement of social goals.

Economic development programs are necessary but they are not substitutes for social development programs, and they will not of themselves resolve the problems of poverty. The fallacy in the reliance in economic development seems to be that whatever jobs are created by industrial and regional development are not filled by the poor indigenous to the development area unless there are significant efforts made to motivate, train, place, counsel, and sustain such people in their preparation, entry, and adjustment to the work environment. There are numerous examples of industrial development where new jobs are created but where labour and staff are imported while the indigenous poor remain untrained, unemployed, and continue to subsist on transfer payments of one sort or another. The standard approaches of the economist are well adapted to designing ineffective accomplishment, as it is easy to divide resources among the mosaic of federal, provincial and local agencies waging their individual battles against poverty.

Program formulation is placed in the hands of the professions and institutions that have already demonstrated an inability to cope with the problem. The basic approach of the economists of allocating more resources in standard ways is followed, and we do more of the same that has not worked before.

There is at present a serious gap between the national desire to produce human change on a massive scale, and the necessary educational, welfare, technological, and manpower resources to meet this objective. More than money is needed, and more than a reallocation of resources is needed; a change in approaches and methods is required.

I suggested earlier that some of the programs that are implemented for the presumed welfare of the poor tend to dehumanize them, and that this is in part the cause of the alienation of the recipients. Incidentally, I also think it is the reason why many eligible people do not take "advantage" of programs that were set up for them.

There almost seems to be a need today to defend being human—of feeling, worrying, loving, wanting help, being lonely, hoping, and so on. These do not seem to be proper and valid, and they have no place in our social institutions.

Part of the problem lies in the fact that our social agencies are modelled on the mechanistic organization of manufacturing companies, and by this bureaucratic pattern they depersonalize our citizens who are their clients. This was the discovery of our students at Saskatchewan NewStart when they met this committee and found that politicians recognize them as people.

Only last week some of the life skills staff of Saskatchewan NewStart presented a two-day seminar on human-

izing learning. This was done at the request of the U.S. Government's educational laboratory in Philadelphia, where it was conducted, which has recognized the need to remake education along human lines.

Our social institutions are very sensitive to the criticism that they frequently get, and, therefore, organize themselves defensively. This means that they are prepared to make errors of omission rather than of commission. They are prepared to be criticized more for not helping than for helping.

It is the position of Saskatchewan NewStart that we must conduct experimental development of new, better, and more human ways of helping people. The Canada NewStart Program is one of the very few efforts along this line, and in our view there needs to be a series of regional experimental stations to develop new social technology for the use of governments and social institutions.

Senator Carter: Mr. Chairman, I want to congratulate Mr. Conger. I think he has written a chapter of our report. I think he knows how impressed we were by what we saw of the NewStart program.

Mr. Conger said towards the end of his remarks that very few efforts of this type are being made anywhere, and certainly not in Canada. Now, we have travelled around and seen many people who think they are conducting programs of this kind and do not know the difference. When I started to tell them about NewStart their answer: "Oh yes, we are doing this too", but actually they were not. This is a terrible thing, in a sense, because it retards the whole effort. Whan can be done about that? I believe these people are sincere. However, they do not know what you are doing and think they are doing the same thing.

Mr. Conger: We found the very same thing in a different way, senator. For instance, we find that some of the training programs consider that they are teaching life skills, but instead of using the group process and allowing people to express their feelings, aspirations, and so on, the teacher lectures to them about life, not knowing the difference.

We have here a fundamental problem in the training of educators and social scientists. They are very narrow disciplines and perhaps historical errors separate psychology and social work. With the present divisions we find that the teachers are trained to deal only with cognative information. The social workers are trained to deal with feelings and so on. This gives rise to the division in our agencies which results in dealing with parts of people rather than with whole people. Our professionals are trained to do this.

Our institutions further complicate this because they are developed along professional lines. For instance, the schools employ teachers, the welfare agencies employ social workers. They would not employ each other. The social workers do not recognize the need of many of their clients for more information, training and learning the skills of problem-solving. The teachers do not want to accept any expression of feelings in the classroom. There-

fore in my view not only is there a need for new methods such as the life skills course, but we have to consider the entire system in which these are implemented, otherwise they will be ruined. Rather than following the group course program, the teachers lecture their way through it. Therefore we see a need for training and maybe retraining the professionals. Change is needed in the administration structure, because if we are to treat people as adults, which is our objective, we have to react to them as adults and take notice of such organizations as student councils. Thus the administration structures and facilities are affected.

There will also be times when the clients wish to appear before bodies such as this and engage in other activities, such as making surveys of the number of houses not meeting the building code. This can become embarrassing to the institution, which must be prepared.

I recall the question that was asked in Prince Albert: "How long will it take for new methods such as this to be adopted?" I replied that the average is 35 years. That is because it is not just a matter of inventing a new device such as the life skills course; it is developing the entire system.

If I could digress for a moment and refer to the development of the automobile; can you imagine what would have happened if after it was invented it had been assigned to the buggy manufacturers or the railroads for development? It would have been stifled. It became widespread when a whole industry grew up, not only the manufacturing of cars, but the development of gas stations, paved highways, motels, credit cards perhaps, parking meters, fines, and a whole new system had to be developed. We are struck now with all new social innovations being automatically assigned to existing instituions; there is no opportunity for a new kind of social institution to arise.

The Chairman: Just a moment. You have become very interesting, but we will catch you as we go along. "There is no opportunity for a new kind of social institution to arise." Now, social institutions do not die easily and they fight hard not to do so; you have a point there.

You are speaking very convincingly; what do you envisage in the way of new social institutions?

Mr. Conger: The problem that many of our unemployed were under educated was identified several years ago. We decided they needed more training, but regarded training as a responsibility of the schools. We have therefore undertaken retraining programs modelled on education lines, whereas perhaps they should have been modelled on rehabilitation lines, recognizing that these unemployed people have many problems, legal health and emotional, as well as educational problems.

However, it is the tendency to recognize the legal, the traditional and the professional jurisdictions and all new methods are assigned to existing institutions. I would say that to carry out a comprehensive job, Senator Croll, a new institution would have to go to a number of agencies to obtain funds, each of which would be inclined to say no, that is probably someone else's responsibility.

The Chairman: I do not quite follow that last statement; just elaborate a little, please.

Mr. Conger: For instance, a certain program might involve obtaining funds from the Department of Manpower and Immigration for the training aspect; from the Department of National Health and Welfare, through the Canada Assistance Plan, for certain other forms of treatment; if they happen to be Indians, then the Department of Indian Affairs and Northern Development comes in. There would conceivably be other departments for instance, if a person were to endeavour to establish a business, then another department comes in.

Each of these aspects is dealt with separately and because this is not just a federal pattern, but also a provincial pattern, these forces cause division of programs into single components rather than creating integration. I would say the mechanism does not...

The Chairman: Yes, but Mr. Conger, if it were all in one department it would still have to be sort of departmentalized: "You look after this; you look after that," all under one department of government, would it not?

Mr. Conger: Yes, but I would suggest that the agency at the operating level would then only have to deal with one department. It does not have to prepare six budgets, six different programs with six departments reviewing every aspect and saying: "Well, no; that is not exactly ours. We think you should speak to someone else." In this way the program spends its time negotiating between the agencies and professionals that cannot integrate themselves.

The Chairman: You are making your point very well; I know exactly what you are saying now.

Senator Carter: I would like to carry it a step further. If we were to have a new institution how could it come about in the federal system? You might call it rehabilitation. Would the provinces say, "Rehabilitation section 194 in the BNA Act is ours and you cannot touch it."

Mr. Conger: The federal Government today is very defensive about the Constitution and is taking a very literalist interpretation of it, but many provinces are not. I think it would be fair to say that the provinces are quite interested in the promise of comprehensive programs. If I am not mistaken, the Honourable Mr. Speaker, who appeared before you from Alberta, speaking on the human Resources Research Council, said that his government had hoped that with the development of the Department of Regional Economic Expansion there would come a comprehensive approach to planning. I think the provinces in western Canada may, because they are interested in this.

Senator Carter: You know and we know from actual fact that regional economic expansion is not operating that way now. They are going to the provinces and saying, "You should work out your problems and we will look them over." This is the same thing you just described. If they approve of it they will contact you with regard to the money, and therefore you are right back where you started.

I would like to follow up my original question, because I think what you are doing is so basic. It is the only fundamental basic research into human behaviour and teaching methods. It is unique, but nobody knows it. Everybody claims to be doing the same thing. What can we do to dispel that situation and to tell people about it and organize seminars on it?

Mr. Conger: It is perhaps an odd thing, but when we got the invitation from the United States Government Regional Education Laboratory in Philadelphia to appear there and present our program we found a lot more interest in Canada.

The Chairman: When was this?

Mr. Conger: Last week. A man came from Philadelphia to study our life skills program and he said "This is so important to what we are trying to do in developing methods of humanizing learning that we would like you to come at our expense to discuss your program with us." We went through details on the theoretical development of the course. We also taught lessons to these adults.

Senator Hastings: Who are you talking about?

Mr. Conger: The Saskatchewan Newstart Life Research Development.

Senator Hastings: Who is "us"?

Mr. Conger: It is called Research for Better Schools Incorporated and there is a laboratory to develop new methods of education. It is sponsored by the United States Office of Education. It is United States Government funded and sponsored.

We went through exercises somewhat similar to what you do with students in Prince Albert. We taught lessons and defended the theory in the practice of the program. This took us two days. Since that time we have had invitations to do the same thing in New York at Columbia University.

In answer to your question, I think what we should do is have similar seminars across the country with educators, welfare workers, et cetera, so they can understand the theory and experience it. In other words, we have to teach what we are doing to other people.

Senator Carter: I gathered, when we were there, that you were a little concerned as to how long your own program was going to last. Has that been cleared up?

Mr. Conger: No.

Senator Carter: Even the authorities apparently do not appreciate the importance of what you are doing. Have these visits to Philadelphia and the invitations from New York made any impression?

Mr. Conger: Yes. As a matter of fact, Ottawa sent an observer to Philadelphia so they could study what we are doing and I think they have a better understanding of our life skills program because of that.

Senator Hastings: How long have you been operating it?

Mr. Conger: We have been operating since 1967, when we were incorporated. In terms of training people we have actually been incorporated since January 1969.

Senator Hastings: In three years the Government of Canada did not know about the progress?

The Chairman: It did not fully appreciate the importance of the progress.

Senator Hastings: But it did not know what was going on?

The Chairman: Yes, they did.

Senator Carter: It is understandable when so many other agencies are claiming to do the same thing. Unless you see them you have to take them at their word.

Mr. Conger: I should say that the Social and Human Analysis Branch has many interests besides NewStart. It is interested in the national social and human development programs that are conducted with the provinces as well as ours. They are interested, but I would not say that they are intimately knowledgeable.

Senator Pearson: Is your program in Prince Albert the first one in Canada?

Mr. Conger: No, four were started in the summer of 1967, one at Lac-la-Biche Alberta, and one in Yarmouth, Nova Scotia.

The Chairman: Has the one in Lac-la-Biche been dropped?

Mr. Conger: No, it is still operating. There is one at Yarmouth, Nova Scotia, and one at Montague, Prince Edward Island.

Senator Pearson: How did they get started?

Mr. Conger: In 1965 there was a conference with the Prime Minister and Premiers with respect to the emerging war on poverty, and Prime Minister Pearson proposed to the Premiers that experimental projects be undertaken to develop new methods of training and counselling adults. The Premiers expressed interest in this, and in January 1966 a Federal-Provincial Conference of the Ministers of Labour and Education was convened with the Honourable Jean Marchand, then Minister of Manpower and Immigration, in the chair. A detailed program was discussed with them and generally they accepted that in principle.

In March of 1967 the four provinces of Prince Edward Island, Nova Scotia, Alberta, and Saskatchewan indicated a definite interest in having these corporations established which would be fully funded by the Department of Manpower and Immigration. Subsequently, federal-provincial agreements were signed and the papers of incorporation were taken out in the summer of 1967.

Senator Hastings: Those were four individuals with no communication crossways at all?

Mr. Conger: There was communication. The executive directors of the corporations met perhaps every two months along with the director of the branch of the

department in Ottawa. Then subject area specialists met, such as people interested in basic education and in life skills.

We have had visits with people from different New-Start corporations, and my staff have visited some of these corporations. As a matter of fact, if I could refer again to the meeting in Philadelphia, there were two representatives from Nova Scotia NewStart at the conference in Philadelphia, so there has been some collaboration. There has not been very much adoption by one of the other, but more or less learning and hoping we do not overlap too much.

Senator Carter: Is it a deliberate policy not to overlap? Is each one supposed to go in a different direction?

Mr. Conger: I think that policy may have evolved in subsequent time, but initially the intent was to allow each of the corporations a great deal of freedom to experiment and to try out different things. I think this really has been good, because each corporation has actually developed along different lines. We have emphasized the development of new methods, such as the courses. I think it would be fair to say that Nova Scotia, for instance, is moving in a direction of doing fundamental research studies in the area of the social sciences and perhaps is not putting as much emphasis on the development of new interventions. So there has been an opportunity for some people to see what they could do, and now we are in a period of assessment to see how this has worked.

I do not think it is a satisfactory arrangement in the long run, I might mention. It seems to me, with the amount of money it takes to invest in developing new techniques like this, it is important that both the federal and provincial governments make commitments as to whether or not they would implement such methods if they were developed, because there is a great urgency for these things.

The Chairman: But not knowing what developed, how could they make commitments?

Mr. Conger: I think it could get to a stage. I think one needs freedom to do initial development, but after you develop, let us say, a prototype' then, rather than try to perfect the prototype and not knowing whether it is going to be adopted, they should be in a position at that time to make commitments.

Senator Carter: What is new since we were there? Have you confirmed some new principles or have you made some discoveries?

Mr. Conger: I think we have, senator, in the theory of what we are doing. I think we have been able to elaborate this and to make it more specific, but progress is not dramatic in this area. It takes a lot of thought and conceptualization and, after some experience, challenging again. We are satisfied that we are on a sound foundation, and it is a matter of being much more specific in what our theory is and the desire of our lessons, and so on.

Senator Carter: You said that they were free to experiment and to explore new things. Is your program the only one doing research on human behaviour, learning methods, etcetera?

Mr. Conger: No, I think each is doing it but perhaps in different ways. Perhaps we have gone into greater depth in this area. I would say that in Alberta the program has been quite different, in that the emphasis there has not been so much on the development of new techniques, but on using what we know now and recognizing that if you are going to move people out of poverty you have to move the entire family. So they train the entire family in a residential setting.

Senator Carter: The other thing that struck me about your program was not the basic research you are doing, but the success you have had in reconciling and integrating the different cultures. They were all there from different regions, with different cultures and backgrounds, and yet they had been somehow integrated into some sort of a whole.

Mr. Conger: I might say that has happened to some of our staff too. Some of our staff who are Indians say that they never realized that there were poor white people until they started working for us.

We know from research in the sociology of education that if you have a predominant group in a school, say all white and few Indian, Negro or what-have-you, the white then dominate the whole social life of the school, and the minority group is relegated to some specific thing—certain kinds of sports. We felt that if there was to be some kind of integration in Canada—and this is a concern of the country, I think—then there must be this balance of equality within our classes so that we do not find one majority group dominating every aspect, so that there can be more of a partnership—and I think this has worked out.

Senator Pearson: Can you give us examples of success stories of some of the students you have had there?

Mr. Conger: I am not particularly well prepared to do that, but I would like to mention one man. You may remember Alex who was in the group.

Senator Hastings: Yes, the artist.

Mr. Conger: Yes. I do not know whether you want me to mention last names or not.

The Chairman: No.

Mr. Conger: But he told you that he first heard of the program when he was in jail. The other day he said, "You know, I have never been out of jail as long as this." He had been out four months and is a man in his forties. "I have never been out of jail this long and, you know, I do not really know if I want to change this fast!" He has now finished the Life Skills course he was taking at that time and has started on the business management courses. He wants to market his paintings.

Senator Fournier: How old is the man?

Senator Hastings: Forty-four.

Senator McGrand: You say he wants to market-what?

The Chairman: His paintings.

Mr. Conger: He is an artistic painter.

The Chairman: He has a touch.

Mr. Conger: Another man I think of immediately is now the Assistant Director of the Indian-Metis Friendship Centre in Prince Albert. He came to us because he wanted to get Grade X, and knew that was the secret. He resented very much getting involved in Life Skills and having to talk about himself and try new social behaviours. After a month he changed very much, accepted this. and was first employed by the Friendship Centre just to visit the bus depot and the pubs, places like this where people coming into Prince Albert were getting into trouble, and to try to convince them and tell them of the help that is available. He also followed up on a number of court cases and after about three months of street work they made him the Assistant Executive Director of the Friendship Centre. The province, recognizing the new work that the centre was doing, gave an increased grant so they could employ him on a continuing basis.

Senator Carter: Is this the same chap whose ambition was to go back and manage a store or a co-op, or something like that? He wanted to go back and organize them?

Mr. Conger: This is Gilbert McLennan. He is still quite anxious to go back and help his people. I recall in the interchange you had with him that it was interesting that he has been bitter about some of the things that have happened over the years.

Senator Hastings: The White Paper, particularly.

Mr. Conger: Yes, but his bitterness is negotiable. I think that this is the important thing, that he is prepared to dialogue and to negotiate.

**Senator Inman:** I remember speaking to one who was taking grade 12, and he told me he hoped at some time to be an engineer.

Mr. Conger: Well, he is going to be out of luck, because there is very little likelihood that he will be allowed or helped to get professional training. I think if he is a registered Indian there is more help available for him. A number of our students want to be teachers and things like this, but they are denied the opportunity because Manpower will only pay, for instance, for vocational training of a non-professional nature.

Senator Inman: He told me that he hoped that after he got his grade 12 he could help himself.

Mr. Conger: That is very good.

Senator Inman: I do not know whether he was a full-blooded Indian or not, but he was in his late twenties.

Mr. Conger: I just do not know offhand who you mean, but certainly if he was not a registered Indian he would have to do it on his own.

Senator Inman: I was just impressed by his ambition.

Mr. Conger: Yes.

Senator Cook: Mr. Conger, I was very interested in your opening statement. You dwelt on the fact that people are alienated from the Government agencies, which is what we have found. However, as I was listening to you I was thinking: "What is new about that?" Can you point to any time in our history when people were close to the Government, or the Government was close to the people?

Mr. Conger: I think in many ways life is better now than it was in the time of Charles Dickens. I think the difference today is that people have hope, and because they have hope they are impatient for change, and they want change. Because many are being turned off by bureaucratic and slow means of getting assistance through many of our agencies they are now seeing alternatives. They are seeing things like strikes and sit-ins, and so on, and the use of the press media, as more effective ways of getting to government than through the formal agencies of government. So, I think the big difference between then and now is hope, and the conviction that they should get help.

**Senator Cook:** Would you not also feel that there are probably more people with a social conscience now than there were in the past.

Mr. Conger: Yes, I would think so.

Senator Cook: And, further, is there not a little danger that on the one hand we tell everybody that this is a right, and then on the other hand we expect them to be grateful?

Mr. Conger: Yes, this is a problem, and this is what concerns me about too many of our programs that they are perhaps in effect maintaining people in dependence, and this is why we as agencies put importance upon the client being polite, respectful, and so on, whereas our social programs should be aimed at the development of competence rather than quiet dependence.

Senator McGrand: On page 1 of your brief you say:

This is to say we spend our resources on short term, temporary solutions rather than invest in prevention.

And then on the next page in the second paragraph you say:

On the other hand, we are spending enormous sums on physical science research and development.

Would you give us your opinion on the spending of these enormous sums on physical science research, and what they have accomplished or will accomplish in the prevention of poverty? It seems to me that there is a tremendous amount of money spent on scientific research that is never going to do very much for this problem.

Mr. Conger: When I wrote this, senator, I was thinking of the satellite that is going to cost \$30 or \$50 million. I speculated that that would be far in excess of all the money spent on social research, on mental health research, and so on, in Canada. I do not like this kind of comparison because it sets priorities, or it says that perhaps we should not have a satellite. But if we look at the budgets of the National Research Council and the experimental farms, and so on, we do see enormous quantities of money being spent, and we see pathetically little money being spent on any kind of social research. Perhaps I might just add one thing and say that we have a problem with our social scientists who are satisfied to receive tiny grants of \$3,000, \$4,000, or \$5,000 from places like the Canada Council and from charitable foundations, and in my opinion you cannot do anything with that little bit of money. Perhaps you can make a survey or re-analyze old data, but you need large dollars if you are going to develop new methods and be effective.

Senator McGrand: Of course, I was not aware that you were thinking of space research at the time you wrote this. Then on page 4 you say:

Research and development of new and better solutions to poverty probems involve steps such as the following . . .

2. Identify the changes that are necessary in individuals to improve their skills so as to increase the probability of their employment.

Now that expression "improve their skills" means different things to different people. In nearly every brief we have received there is a request for retraining in order to get new jobs. I am afraid they are asking for training for jobs that probably will never exist. In what area can we find the new fields to employ the improved skills you are referring to? What field do you envision we are going to have where these new skills can be used?

Mr. Conger: There is one area that I feel is very important and very central to the work of the committee and to the problem of poverty, and that is the area of social development, of welfare, and of the other areas of helping the poor. What I see happening too much is that these problems are helping the professionals, and there are not opportunities for the employment of the people who know best what it is like to be poor.

Perhaps I can give you an example of what is happening today. We are developing poverty programs. We do not recognize that one way of resolving the problem of the shortage of professionals, and the dislike of the professionals to working in poor, sparsely populated areas, and to working with poor people who do not have the nice obsequious mannerisms that we want, is to train the poor people themselves to work in the social institutions.

Now, this can be done. We have experimented with this, and the Department of Education has accepted this as teachers' aids, but there is a tremendous need in Manpower, in Welfare, and in other areas to train people who know the poor people, and who do not mind being in the disadvantaged areas and working among the poor.

Senator McGrand: But that does not provide many jobs? That does not provide many payrolls, does it?

Mr. Conger: It depends upon what our intentions are. The Department of Regional Economic Expansion is concerned with creating jobs in disadvantaged areas, and there are grants to companies to induce them to locate and expand in these areas. Now, there is an historical problem, and it is one that gave rise to the NewStart program in 1965. I think it was mentioned in my opening remarks. There are new jobs created. For instance, the pulp mill in Prince Albert employs over 400 people. However, the problem is, and I am speaking generally, that these new industrial developments do not provide jobs to the local indigents and poor because they are not trained. Too frequently when a new industrial development is announced no program is set in motion to train people from that area to work in the industry. It is important to do it very early, because often people have to move from what amounts to a grade 4 or grade 5 level to at least grade 10 in order to get an entry job.

The unions are not always happy to see these people come. They establish certain selection criteria, if you will, that work against some minority groups and because of union seniority companies wish to hire people with a fairly high level of education, who are promotable. So there is no hope of many indigenous people, and I am speaking specifically of native people in western Canada, getting jobs in new industrial developments unless large programs of training are established well before the industries are built.

**Senator Cook:** Is it not a fact that with the almost complete disappearance of the pick and shovel man people must have mechanical ability to get a job today?

Mr. Conger: They have to have some sort of ability, mechanical, academic or other. The number of labouring jobs has decreased very greatly.

**Senator Fournier:** What is your personal definition of a professional social worker?

Mr. Conger: A person who has a degree in social work.

Senator Fournier: That is all?

Mr. Conger: Yes.

Senator Fournier: Without any ability; as long as he has a degree on the wall he is a professional social worker?

Mr. Conger: Yes. Perhaps he would also be a member of the Association of Professional Social Workers.

Senator Fournier: That is why we have so many.

My question refers to the last paragraph in page 6 of your brief:

Many poor have the simple need of survival as represented by those with chronic ailments, old age, etc. On the other hand, the working poor who receive the least effective assistance, yet have the potential to contribute positively to society, could

probably benefit most from programs to qualify them to become very competent in their personal and work lives.

What is the use of training a man who has already retired?

Mr. Conger: I do not see any point in giving him occupational training. I am concerned with the old age ghettos that we are establishing, where people of retirement age are put off to wither mentally, socially and physically.

Senator Fournier: Your program does not retrain them for employment, but in methods of spending their leisure time, such as hobbies?

Mr. Conger: Yes, Senator Fournier. I am suggesting that we cannot have one or two universal solutions to our social problem. There are different kinds of disadvantaged people. There are many very poor old people who need one kind of help; there are chronically ill, who need another; there are the employed poor, who need another. In addition to that there are very important regional differences, those between Prince Edward Island and certain parts of New Brunswick, the northern Prairies and western Canada.

We must have a plurality of programs, not just one or two national programs.

Senator Inman: Mr. Chairman, I wish to tell Mr. Conger that I was very, very much impressed with the program we saw in the west. I want to congratulate you, because it was a great experience to see these people.

You have referred to the difference between Prince Edward Island and rural New Brunswick. What difference is there in the rural program?

Senator McGrand: Is there a NewStart in New Brunswick?

Mr. Conger: Yes, it is in Richibucto, in Kent County.

Senator Cook: It is on a new status as of yesterday.

Senaior Inman: How far have they gone with the program in Richibucto?

Mr. Conger: Senator Croll, I see in the audience Mr. Sloan from the Department of Regional Economic Expansion. I think he is knowledgeable with regard to these questions. Mr. Sloan, would you answer the question relating to the difference between Prince Edward Island and New Brunswick and the New Brunswick NewStart program?

Mr. E. P. Sloan, Research Consultant, Social and Human Analysis Branch, Department of Regional Economic Expansion: I am here as an observer really, not as a witness. I cannot express anything officially as a representative of the department.

With respect to the New Brunswick situation I can tell you that New Brunswick NewStart was commenced about a year and a half ago. The first year was spent in planning the program and the research work is now commencing. They are concerned with somewhat different matters than any of the other programs, such as social and geographical mobility.

As you know, Moncton has been selected as a growth centre.

Senator Inman: What is social mobility?

Mr. Sloan: It is an upward, or downward, movement within the social structure. Occupational mobility is upward.

They are particularly concerned with the problem of surplus population in Kent County being rural, with many characteristics which are not immediately useful in the urban environment of industrial development. One of the assumptions, or the basis for the growth centre concept, is that it will have an effect and improve the occupational and social mobility of the people in the rural surrounding areas. In other words, the work force for the growth in Moncton should be drawn from the rural areas and small communities in New Brunswick.

New Brunswick NewStart is particularly concerned with testing this assumption, as it is in fact, and with ways to make it work. In other words, what is to be done with people in small communities within Kent County to prepare them to take advantage of the opportunities which will be presented in growth centres such as Moncton? They also have a number of other programs.

The difference referred to by Mr. Conger is that in the indigenous population. The difference between the rural population in Prince Edward Island and that of Kent County, the environment being very similar, is essentially that Kent County is approximately 80 per cent Acadian, French-speaking and Acadian in culture. There are significant differences in the way they approach their problems compared to the way the Prince Edward Islander approaches them. In fact, you should have different programs and understanding of the differences in order to have effective programs in each of these areas. You cannot take a program which you develop in Prince Edward and assume it will work in New Brunswick. This is multiplied across the country.

Senator Inman: Of course, the third of our population is Acadian French. I am still confused as to what the difference would be.

Senator McGrand: Kent County is economically the poorest county in New Brunswick and they do not have the resources which you have in Prince Edward Island, such as good land and good growth on the land.

Senator Inman: Mr. Chairman, I have another question which I would like to ask Mr. Conger. Do you consider the Prince Edward Island results satisfactory and up to date?

Senator Hastings: The Newstart program in Prince Edward Island.

Mr. Conger: I think they are planning something which is going to be very important if it does evolve. They have done some studies which are relevant to what we are doing. They have found, for instance, that if you have

life skills discussions without lessons planned and just have group discussions that this is ineffective. The students want structure and information as well as discussion, so they have contributed to some extent to what we are doing.

They have also conducted a fairly large experiment in Souris to train people to experiment with a method of what is called Achievement Motivation to train people. I think they would say that experiment was not a success in that people were qualified to become great achievers. The point that they find is somewhat similar to Alberta's; that is, if you do not look at the community as well as the individuals you will not be nearly as effective.

Prince Edward Island is concerned with the development of a manpower training system that does not integrate the many things and not concern itself just with education. I believe, and Mr. Sloan can correct me on this, that they are to some extent implementing this idea. They are still working out details of it. Perhaps you would like to comment on the manpower system which they are developing.

Senator Inman: I come from Montague and I am particularly interested in what you think.

Mr. Sloan: The manpower development system is to set up a system on an experimental program by which the individual can enter at his level of requirement if he has Grade 4 and needs Grade 8. The manpower development system is now working on an experimental program which is intended to provide access for the individual at a point where he needs it. In other words, if he needs basic educational development this is available to him. If he does not need it he can go into occupational training. If he needs the life skills program before he takes occupational training then the life skills training is available to him as well.

This ins individualized approach to the development of manpower rather than a classroom approach where groups are organized in classrooms of 10 or 20, who all enter at the same time and all take the same courses and graduate at the same time. This is not the way people exist, because people have very different requirements, particularly among adults and disadvantaged people. Their requirements are individual and this is an attempt to design a program which provides for this individuality.

Mr. Conger: There is another factor, if I can be candid, Senator Inman. Prince Edward Island NewStart has some problems that we have not had in Saskatchewan. One is: how many employees were born on the island? This has been a very severe problem in recruiting staff, and I think that perhaps they have not been able to build up the staff as quickly as we were able to. They did not have the range of trained professional people that was available to the rest of us because of these kinds of very real impositions that were laid down locally.

Senator Inman: The contract is up this year and there is concern felt whether or not it is going to be continued.

Mr. Conger: First of all, it is a wonderful dream that you can start in the summer of 1967 and by, say, 1971,

have solved the problem of poverty, especially if you start with nothing and you have to build up a staff and cull ideas from all over and try to put them into program terms. It is just impossible. I think it has taken each of the corporations a good two years to build up its organization. We just get to that point and it is now time to dismantle the organization. I believe that most of the corporations have had quite a severe loss of staff in the last several months because they felt their job are very much in jeopardy. You just cannot do this kind of research on a crash basis or even find the staff to do it.

Senator Fergusson: I would like to support what Senator Inman said about more experience when we visited NewStart in Saskatchewan. I, too, was tremendously impressed by what you are doing. Perhaps one of the things that impressed me most was actually participating in this life skills work that you are doing. I thought how hard it must be for some of those people to actually take part in that. I thought it was quite an effort to have to do it myself. It does a tremendous amount for people. Do you feel it is almost basic?

Mr. Conger: Very much so. Quite a few of our students object to it initially.

Senator Fergusson: I can imagine that. I would not have done it voluntarily unless you told us that we had

Mr. Conger: We are going to experiment with that, however. What we are doing in starting that way is really to bring our middle class notions of group participation, whereas some workers are used to be ng much more directive in their relationship with people. We are going to be even more directive. We are going to take an experimental group of 12 people and put them through some exercises with very little discussion, but social skill building and tell them they have to do it and then move gradually in the first month into the kind of situation that you experienced yourself and see if this is more acceptable.

The Chairman: Don't people generally reject the personal relationship with those who are handing out welfare?

Mr. Conger: They don't trust them.

The Chairman: Do you think they will trust the group?

Mr. Conger: They will learn to trust the group.

The Chairman: Rather than the individual?

Mr. Conger: I think they will learn to trust the individual as well, but they have to learn both of these.

The Chairman: They have had a lot of experience with the individual. The information that we have is that they do not trust the individual. Are you moving away from that? Is that the purpose of the group or is there some other purpose?

Mr. Conger: No. In the normal institution what you do is you ask the client to expose himself in terms of his feelings, his background, and everything else, and to

trust you, but you give nothing. You are antiseptic and you will not even tell him your first name or your wife's name or your age, or anything like that. But in the Life Skills group the leader or the coach has to trust the group, has to risk giving some personal information and sharing some of his experience with the group. It is that kind of interaction and that is what I think creates the relationship.

The Chairman: Taking that group that we saw in Prince Albert, what good would be done by putting a middle-class instructor in with that group? Would they trust him?

Mr. Conger: Not initially, but this is why we have recruited our coaches from among the disadvantaged. They do not trust each other initially and they do not trust the middle-class professional if he is there, and he has been there, initially; but as they learn to share and to risk the confidences and experiences, then the trust will develop on a personal basis.

The Chairman: Mr. Conger, one of the things that is troubling us—and you touched on it. We would like to take advantage of your thinking,—is that in our minds we have taken the 4-½ million people and we have pretty well divided them, as you know from the record. We have said "disadvantaged"—and our definition is a bit loose, but nevertheless you know who is there. They are out of the labour force. We have those who are in the labour force, drawing less money sometimes than the others. You know the situation.

Mr. Conger: Yes.

The Chairman: We have to come up with a solution, and our big problem is to keep that working man from getting into the welfare web.

Mr. Conger: Right.

The Chairman: That is really the crux of the whole situation, because you cannot do much for the other. We know pretty well what to do. How do we keep him out and yet look after him? I do not mean we intend to ignore him. You know what I mean when I say "keep him out." We intend to be helpful to him because he is a worker and is a producer. How do we keep him out of that welfare web as it exists at the present time?

Mr. Conger: There are the outside problems; there need to be jobs, and so on. We did a study, for instance, of the building of the pulpmill in Prince Albert, and we found that the employment pattern went up and down, up and down. So, obviously there are lots of people who had a bit of work now and maybe a bit of work later on. It was our notion that one could design, for instance, a program for them so that when their kind of work is not in demand they can be trained or retrained for other work, because really with limited skills—and one senator referred to this earlier, I think—we need to train people for change. If we just train people to be unemployed carpenters, or unemployed carpenters to be unemployed plumbers, then our training program is really a welfare

program. So we need to train people so that they can take advantage of more opportunities.

The Chairman: Up to a point we are talking the same language. We have discussed it and we were thinking in those terms. If the working poor have jobs they do not need us, they do not need anybody, if they have a job that pays them a decent wage. We are talking about the man who is unskilled, working a full time who cannot make it. We have the alternative of putting him into the welfare web. If we do that we think that he is lost. Do you agree with that?

Mr. Conger: Yes.

The Chairman: That is the last resort. We can subsidize the wages that he receives from the employer, and then of course the employer will pay him even less wages—right?

Mr. Conger: Yes.

The Chairman: So that will break down the wage scale structure and there will be nothing left but the sweat-shop. We cannot do that.

Mr. Conger: Right.

The Chairman: We still have the man and he is a producer. What you are suggesting is that some body —perhaps not in existence at the present time or even in existence at the present time—upgrade this man constantly and has a finger on him all the time and says, "Go ahead and work, and when you are not working we will continue to upgrade you and pay you during the upgrading, as we do now."

Mr. Conger: Right. I think these low lavel, poorly paid jobs should be seen as a training station rather than just as a job.

Senator Carter: At the bottom of page 6 you say in the last paragraph:

On the other hand, the working poor who receive the least effective assistance, yet have the potential to contribute positively to society, could probably benefit most from programs to qualify them to become very competent in their personal and work lives.

Would you elaborate on what you mean when you say, "the least effective assistance"? I think this is the same thing as you have just been talking about.

Senator Fournier: You are talking about the upgrading. There are many cases in Canada today in which it is is impossible for the individual to be upgraded—the individual who is in the age group 40-45 and has only Grade VI. Manpower found out that upgrading was not the success they expected. You have his ability and that is all you have. It is no use thinking that you are going to upgrade him and retrain him. His earning capacity is only \$60 a week. Let us assume he is a motor mechanic. He can dismantle motors, can do a transmission and differential, but that is his limit and he has not the ability to become an engine specialist, to do motor tuneups and so on, but he is doing a darned good job at what

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he is doing now. So he has not enough money, as was mentioned by the Chairman, and the answer is to go to welfare. I know that with the conditions today he has no alternative but to go to welfare.

Senator Cook: Relatively speaking, the more you upgrade the man the less jobs there are anyway.

The Chairman: No. that is not true, really.

Senator Cook: Sure.

Senator Fournier: What can you do with a fellow who cannot be upgraded?

Senator Hastings: Upgrade him in the Life Skills.

Mr. Conger: When we say that he cannot be upgraded, there are several definitions of the word "cannot". One is the administrative reason that says that he is so far down the ladder it would take too long, using present methods, to upgrade him. For instance, he only has Grave V so we cannot give him Grade X, say, in a year. Therefore Manpower says, no, they will not admit him to the program; they say he cannot do it. I say we have not the tools, or the methods of teaching people who are illiterate or are well down the academic ladder, to learn efficiently, and this is one of the things we are trying to do. Why should there be an arbitrary one year in which to upgrade a person in the academic field? Maybe it should be two, because Manpower allows two years for combined academic and vocational.

Another thing I would like to say in reply to one of the questions is that perhaps another change we need is to pay people, if necessary, to take part-time upgrading. Perhaps we need good programs that are integrated, or that are conducted in such a fashion, so that in addition to getting the low level of pay these people are getting now they can also get a training allowance for taking additional scheduled training. This might be a good use of leisure time.

The Chairman: I saw that happening in Prince Edward Island. They were doing it very well. Let us get back for one minute to Senator Fournier's question. Let us consider the case of the man who just cannot apply himself, and there is no use in trying to persuade him. There is nothing the matter with him. He can drive a truck, and so on, but he just cannot apply himself to training. What can you do for him? Are we dealing here with an extremely small minority, do you think?

Mr. Conger: I do not know if we know. We are dealing with a large number of people.

The Chairman: Just stop there for a moment and answer Senator Cook's question. Do you remember it? He asked what is the use of training these people when there are not that many jobs for the people you upgrade.

Mr. Conger: I think if we were to check with the Canada Manpower centres we would find that there are vacancies for skilled people, but there are no vacancies for labourers. We have seen over the last several years a great change in the basic social structure of society.

Whereas at one time there were many people right down near the bottom, there are fewer now. Our social structure is more like a diamond, with a lot of people in the middle. The number of labouring jobs is few. I think our problem is to train people for these vacant middle jobs.—the skilled jobs.

Senator Fergusson: I should like to refer to Senator Fournier's question about social workers, and his expression of opinion that we have too many of them, and yet we have evidence that we do not have enough.

Senator Fournier: It depends upon the quality.

Senator Fergusson: Yes. The reason given was that so many of the ones who are trained are not doing the work for which they are trained, but are doing administrative work.

Mr. Conger: That is right.

Senator Fergusson: I go along with that. You are not a social worker, are you?

Mr. Conger: No, I am not.

Senator Fergusson: Would you mind giving us your opinion on that subject?

Mr. Conger: I agree completely that there are too many well trained professional social workers who are doing administrative jobs. This is true of any profession. If you look at the engineering profession you can see the same thing. Anybody who is bright and capable is going to head for the administrative jobs because they pay better, and that is the incentive that we provide.

**Senator Fournier:** The pay is better in the office than it is outside building the bridge?

Mr. Conger: Yes.

Senator Fergusson: It is discouraging to think that this is true. I know a nurse who is really brilliant, and she worked up into administrative jobs, and then she decided that this was not the work she wanted to do. She went into nursing to be a nurse and to help people. This is someone I know very well. Her brother was simply horrified to find that she was accepting a position at half the salary she was offered elsewhere because it would provide her with the kind of work she wanted to do. Surely, people who are going into social work are dedicated to doing social work, are they not?

Mr. Conger: Yes, they are. I hate to say this, but there is something that destroys every man's dreams of really helping people, and that is called marriage. What I mean by that is this, that there are lots of well trained, dedicated, single people working in the front line, but once they get married they find they need more money, and they have to go for these jobs. I can speak from personal experience. I was doing rehabilitation work in Montreal when I became engaged. I gave up what I really wanted to do and sought my fortune in Canadian General Electric. I did not like the work, but I stuck with it because there was something else that I liked.

Senator Fergusson: You have certainly given me a good answer. I have another question. I should like to know who makes the appointments to the positions of those who manage NewStart, and perhaps similar organizations. Are those appointments made through the public service?

Mr. Conger: No, the appointment of the executive director and the members of the board are made jointly by the provincial Minister of Education and the federal Minister of Regional Economic Expansion, but all the staff appointments are made by the executive director, and there is no involvement of the federal or provincial public service commissions.

Senator Fergusson: During this year I have been all over Canada with this committee and another one, and I have discussed this matter widely. I cannot pinpoint any particular organization, but I have been moved to wonder if after such appointments are made there is any assessment made of the work those people do—whether they are doing satisfactory work or not—because that might have a great influence on the success of the operation.

Mr. Conger: Well, I would imagine that there are many informal assessments made of myself, but none that I am officially made aware of.

The Chairman: We are doing a little too, you know.

Mr. Conger: As far as the board of directors is concerned, they are appointed on an annual basis, and I might say that the Minister of Education in Saskatchewan has asked me if I would recommend their reappointment or not each year.

Senator Fergusson: In respect of one case I heard very severe criticisms. I just wondered if anybody takes a look at how these things are working out.

Mr. Conger: I think they do, but I do not know that it leads to action.

Senator Fergusson: You mentioned the study you had done of the workers at the pulp mill in Saskatchewan.

Mr. Conger: Yes.

Senator Fergusson: Did you look into the situation regarding the people who cut pulp out there and who supply the mill?

Mr. Conger: No, we did not. We were partly biased about that, I suppose, but when we did this study we were interested in the good jobs. Now, cutting pulp can be a good job, I know—you can make a lot of money at it—but we were thinking of the good jobs in the mill itself because we do know that a mill such as that can employ at least 250 local people if they had the prior training.

Senator Fergusson: What do you mean by "prior training"?

Mr. Conger: I mean some training in basic education so that they can use a slide rule and do certain specific mathematical computations, and/or have some skills such

as those of an electrician—not necessarily a journey-man—or a pipe fitter.

Senator McGrand: Senator Fergusson asked you about the people who were cutting pulp, and you said you had not investigated them, but that a person could make a lot of money by cutting pulp. What could be the daily pay of a man cutting pulpwood in northern Saskatchewan?

Mr. Conger: I do not know; it is on a piece rate basis. I do not know what the average is and I quite honestly have forgotten the amounts that could be made by the highest producing cutters.

Senator McGrand: I ask because we are going to hear something about that in the next half hour.

Senator Hastings: How many employees do you have?

Mr. Conger: We have approximately 80.

Senator Hastings: How many students have successfully completed the life skills and education skills course?

Mr. Conger: I believe it is approximately 150 or 175.

Senator Hastings: Have you taken any of those 170 on staff?

Mr. Conger: Yes we have.

Senator Hastings: How many?

Mr. Conger: I would say probably a dozen.

Senator Hastings: Out of the 150 remaining, how many have used the knowledge they have gained to go back into social work?

I am referring to your statement that there is no one who can work with the poor like a person who was poor. Are they using their knowledge to help to go back?

Mr. Conger: Some of them are. For instance, some obtained jobs with provincial and civic welfare. A number got jobs in the psychiatric wing of the local hospital. Two initially went with the Indian and Metis Friendship Centre; at least one with the provincial correctional institute.

**Senator Hastings:** A significant number then are using what skills they have gained to continue to help others?

Mr. Conger: That is right.

Senator Hastings: I have been using a figure which I do not know to be correct, that you success ratio is 57 per cent.

Mr. Conger: That is right; that is the number that enroll and graduate with a grade 10 certificate.

Senator Hastings: And are taken off the welfare roles and put on gainful employment?

Mr. Conger: At one time we carried out a survey and found that 80 per cent of our students, graduates or not, obtained jobs. About 80 per cent of those kept jobs, so it is about 64 per cent.

Senator Hastings: A success ratio of 64 per cent?

Senator Carter: I would like to follow up on Senator Hastings' questions, because a person reading the record might draw wrong conclusions from the answers. The success and importance of this program do not depend on the number of people at this stage that have been successful in obtaining jobs. It is important but, as I understand it, the most important aspect is what is learned from experimenting with these people. They are the raw material and are more or less by-products, but the whole aim is not at this stage to turn out masses of people. We should not judge the success of the program by the percentages of people who pass through this stage of experimentation and then leave.

Mr. Conger: I agree completely. If we had 100 per cent success, then we could rightfully be charged with not experimenting, but only taking the safe bets. However, a success of 64 per cent I would say is better than the national program.

**Senator Carter:** Yes, absolutely. However, it is still not the criterion by which the program should be judged.

Mr. Conger: That is right.

Senator Carter: You recommend an institute for social research and development. Do you envisage that as a separate institution, or as a faculty in a department of a university?

Mr. Conger: I do not see it as part of a university faculty. I do not think the universities are interested, nor do the social science professionals wish to dirty their hands by actually dealing with people. They prefer not to subject themselves to the discipline of working on a multi-disciplinary project.

There is, as I mentioned earlier, in my view a fundamental defect in the structure of our social sciences that divides them into a group of jealous independants. For these reasons I see no interest on the part of universities to do this and I do not think it would be advisable to encourage it.

Senator Carter: You mention on page 12 of your brief that there are no models for integration of knowledge. That is true up until now, because we have not had the means to create the models, but now we have computers. Do you think that this problem can be taken care of by computers?

Mr. Conger: No. Perhaps ideally. For instance, in the life skills we are attempting to integrate some theory and techniques from therapy and education. We have social workers, psychologists, educators, and so on, working on this.

I approached the University of Saskatchewan to see if they would help us with our staff training program by having a program in human resource development which would integrate this. They said they could not do it; they might set up a study committee to consider the possibility, but there was no hope in the foreseeable future. We were stymied there. There do not appear to be crossings between the professions. Maybe a computer would do it.

Senator Carter: That has been one of the basic criticisms of research in pure science, in the physical sciences. There has been no integration, but they are changing and moving towards multi-discipline research in pure science. Why can we not do the same in social science?

Mr. Conger: I think it could be done, but it has to be encouraged in a directive way.

Dr. J. W. T. Spinks, the President of the University of Saskatchewan, commenting on this subject at a seminar in the university said that he felt that if the social scientists could not see that they had to integrate and get involved in large dollar research, they were going to be an extinct species.

I do not know whether his prediction would come true. There is conviction within the universities, but not the means to coerce the realization of this dream.

Senator Carter: Is that not due to the fact that the pure scientist looks down on the social scientist because it is not regarded as an exact science? We have not the precise measurements to evaluate what we are doing, but even that is changing.

Mr. Conger: Yes, but the social scientist looks down on the social practitioner, such as the social worker and the teacher, because the social scientist tries to ape the physical scientist in devising tests, and so on. In actual fact the statistical techniques that have been developed, largely in agricultural research and elsewhere, are far more sophisticated than the measuring and research instruments available to the social scientists today. However, the social scientists use statistical techniques and inadequate tests and so on to attempt to evaluate what is going on. There is a real pecking order there.

Senator Pearson: From where do you recruit the majority of the students?

Mr. Conger: Mainly from Prince Albert, although a number, perhaps 20 per cent, come from the surrounding district as far as Duck Lake, which is about 35 miles south and Montreal Lake, which is 65 miles to the north.

Senator Pearson: Do you get them through manpower at all?

Mr. Conger: Yes, we do, through manpower, the provincial Department of Welfare, the municipal Department of Welfare, the Indian Metis Friendship Centre. About 1,000 people come to us on their own.

Senator Pearson: You do not direct any special advertising efforts?

Mr. Conger: I don't think advertising is as effective as are personal contact and agencies.

The Chairman: When we were in Prince Albert we were very impressed with the study that Saskatchewan Newstart had been making, and we thought it was an original one. It was the best of the Newstarts by far and

it was valuable. One of the things that bothered us at the time was the fact that its life was uncertain. We think it would be a mistake and a tragedy to dismantle Saskatchewan Newstart in the foreseeable future, because the kind of work you do is a fresh new approach. We were not wrong in our assessment, because from what you have told us today, the fact that the Americans are interested at the university level and the government level indicates that you are doing something that is of considerable value. That was one of the reasons we asked you to come back. We wanted the Government to know that we asked you to return. We also wanted them to know what we thought of the program. You have helped us this morning on some things we were very much concerned about. We are glad to have heard your suggestions that there must be a different change in approach and in method in order to solve this problem.

We have had a very interesting morning with you again, and on behalf of the committee I should like to extend to you my sincere thanks, Mr. Conger. I am not sure, but before we are finished we may have occasion to call on you for some further help.

The Chairman: Sitting on my right are Mrs. Alfred Basque and her husband, Mr. Alfred Basque. We have been out for a long time talking to the poor, and her presence here today is symbolic of the fact that the poor are talking back to us. We cannot help them all here, but she is very representative. We heard her briefly in New Brunswick, and the members of the committee were impressed.

What impressed them was that she represented, perhaps more than anyone we saw, the new breed of activists, people who were helping us to help them, and doing it through normal channels by making worthwhile contributions. They are participants; they are trying desperately to change their lives for the better. I think what Mrs. Basque has to say today will be of interest to the committee. She is going to speak for about five or ten minutes, and then she will answer questions. Then any of you who wants to question her husband will have the opportunity to do so, he is here too. He will speak in French.

#### [Translation]

Mrs. Emilienne Basque, Local President, North-East Regional Development Council, Tracadie, New Brunswick: I apologize if my voice is not very good, because I've caught the flu and yesterday I hardly had any voice, and this morning it is still shaky.

I asked to say a few words this morning to tell you that the poor person is not an idle person. He wants to work for every dollar he makes, but when he does make a few dollars the social welfare organization takes it out of his income. So the poor man is not an idle man but likes to work provided he is given the chance; yet if he works, what he has earned is taken out of his social welfare, every last penny. In Tracadie, the area I come from, there are very few jobs for the poor. The people do not have the special skills desired for filling the existing

positions. Consequently, in order to be able to work, they are obliged to go 2 or 300 miles from home. Most are lumberjacks, but the others are unemployed. So, the most important thing is that the poor person is not an idle one.

We also ask that they be given a guaranteed minimum wage, at almost the same level as what they can get from the Welfare, so that when they work these people can keep at least half of what they earn. Therefore, if the Welfare gives some people an allowance to live on and if the person works, we ask that every penny of what he has earned not be taken out of his welfare money.

I do not know whether I am making myself clearly understood.

Senator Fournier: Did you say half of it?

Mrs. Basque: Half; it is the example I am giving you so that you can understand me.

What we are asking for is a decent wage for the work done, because there are many people who do not earn even as much as they receive from social welfare. That is why many company representatives or persons with positions in the government, or elsewhere, tell us that these people are idle because they do not want to work.

Consequently, if these people were able to work and the Welfare allowed them the opportunity to work so as to make up what they need to live on, with a wage sufficient to keep a family, I do not think there would be so many on social welfare because that is how we get people on social welfare. If every penny of what he might make in some other way, he and the members of his family, with extra work is taken from him, then he will never be able to better his condition. He will never be able to become in life a person capable of living better than in his present condition.

We hope that the Welfare can be improved. It must be if you do not want to have another generation of poverty in the country. The authorities must take the necessary steps for we know that today it is impossible to have 100 per cent employment, because there are no jobs for everyone. Therefore, if we do not want to make poor people out of 75 per cent of the population who have almost no education amongst adults, we shall have to take the necessary measures. It is the responsible persons like the government who should think about it so as to remedy the situation before too long, because the children of these parents will be unable to do much better than their parents since, when they reach Grade 10, they are obliged to stay at home as their parents cannot send them any farther in school because they do not have the money necessary to pay the cost of their education. That is the starting point for a new generation of poor people.

Now, as to the wage or social welfare aspect, there is some degree of similarity because there are certain workers, like the lumberjacks, who receive almost the same in wages as those who receive social welfare, and social welfare recipients are entitled to \$240.60.

Senator Fournier: For how many people?

Mrs. Basque: For 8 people, but it is the rate for 6 people, ordinarily; so for food...

#### [Text]

The Chairman: What was your question? We are not getting it.

Senator Fournier: She mentioned \$240, and I wanted to know for how many people.

#### [Translation]

Mrs. Basque: The point is that it was for 8 persons and at the 6-person rate—that is what you asked me. May I continue, then?

Senator Fournier: Could we not clarify that point? Why do 8 persons receive the rate for 6? Is there no 8-person rate?

Mrs. Basque: No.

**Senator Fournier:** There is no rate for 8 persons—does it stop at 6? Is 6 persons the maximum?

Mrs. Basque: Yes, but when there is a family of 8, there are 2 left over, and where are they to go, those two? That is what I am talking about.

Senator Fournier: Yes, I understand. Thank you.

Mrs. Basque: With the amount given for food, which is almost \$125 for a family of 8, it comes to more or less 17 3/4 cents—I am giving you the figure from memory; I have not worked it out—could some families of 10 live with such an amount?

Senator Fournier: Do you mean per meal?

Mrs. Basque: Per meal, per day. There are three meals in a day.

Senator Fournier: Yes, I understand perfectly.

Mrs. Basque: So, these are the things I believe most important.

There are some corrections to be made to our brief. The low wage creates welfare recipients; what was not printed—there is a mistake—the correction to be made on the report is that the low wage creates more social welfare recipients—because that is the origin of social welfare recipients—low wages. It is in the third paragraph. Also, the word "education" (upbringing) should read "instruction" (education).

#### [Text]

Senator Inman: Mr. Chairman, I should like to say that we appreciate very much Mr. and Mrs. Basque's coming before us this morning to tell us something about their circumstances and the circumstances of those among whom they live. Mrs. Basque, what is the average education among the people who live in Tracadie, New Brunswick? How far have the adults gone in school?

#### [Translation]

Mrs. Basque: The highest levels to which the adults were able to go to school in the past—not in the pressent—were Grades 6 to 8. That was the highest level.

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#### [Text]

Senator Inman: What are the school facilities at the present time? Can they go higher now?

#### [Translation]

Mrs. Basque: There is a very fine school, but there are very few skilled teachers; and so it would be necessary to improve the skills of some teachers to give the pupils a better education.

Have I answered your question correctly?

# [Text]

Senator Inman: I am just wondering how far the grades go at the present time? Can they go to Grade 10, for instance?

# [Translation]

Mrs. Basque: In the poor section—for there are many poor people in the north-east—they may sometimes go as far as Grade 12, but with difficulty. However, as regards the elite, they may very well end up in college if they have enough money to be able to carry on with their schooling. Therefore, it is much more difficult in the poor section because the elite have many opportunities the poor do not.

#### [Text]

Senator Inman: Do many children of the underprivileged people take advantage of the opportunity of going to grade 12?

# [Translation]

Mrs. Basque: Those who have a great deal of courage to keep going up to the end—and help too, for their parents cannot do it alone—those who have the opportunity of contacting the right people, they may go up to Grade 12, and even farther because, later, there are some who can obtain grants from the government. That used to be really hard before, but now there are better possibilities in that respect.

# [Text]

Senator Inman: How many children do you have yourself?

# [Translation]

Mis. Basque: I have six.

#### [Text]

Senator Inman: Are they all of school age?

# [Translation]

Mrs. Basque: Yes, they are all of school age. I have one in Grade 10, and the other is in Grade 3.

#### [Text]

Senator McGrand: I think there is a little confusion here. We refer to Tracadie as a sort of area. There is the parish of Tracadie with probably 6,000 or 7,000 in it, and then there is the Town of Tracadie with a population of probably 2,000, and that is where the high school is. How far would you live from the Town of Tracadie?

#### [Translation]

Mrs. Basque: Almost two miles.

# [Text]

Senator McGrand: A great many of the people in the Parish of Tracadie are nine or ten or even twelve miles away from the Town of Tracadie. Is not that right?

#### [Translation]

Mrs. Basque: Those who go to the comprehensive school go from the Nicouac Magaspédia district and, on the other side, come from around Sainte-Rose which is not far from Bathurst. So that makes a really big school complex.

Senator Fournier: How many miles would it be?

Mrs. Basque: Almost 25 miles.

#### [Text]

The Chairman: In asking that question was there any suggestion that there was a lack of school facilities? As I understand it, they bus them in. Where the school is located is really not too important. Is not that correct?

# [Translation]

Mrs. Basque: There is a good bus service.

#### [Text]

Senator McGrand: But this school business is a rather recent development.

The Chairman: Yes, it is within the last four or five years, I think.

Senator Fergusson: Mrs. Basque, among the solutions in your brief you mention habitable dwellings. I presume you mean there should be more of them. Would you tell us something about the dwellings that you think are not habitable or not very good?

#### [Translation]

Mrs. Basque: There are many that are not fit to live in. But as for giving you a percentage, I do not have one. On April 5, we had to appear before a sort of enquiry to find what the exact number really is, so that when someone puts questions to us, we would be in a position to give them the exact figure. For the time being, then, we have stopped doing it because our organization has closed down for a while since we no longer had any social leaders.

# [Text]

Senator Fergusson: But can you not speak about the buildings? I do not want any statistics. Can you just tell us something generally about the dwellings that you think are not very good.

#### [Translation]

Mrs. Basque: Generally speaking, yes, because at present you have merely to enter the house and you can see the sun and the stars through the walls. Consequently, it is one of the special points. There are others which are

too small to live in with a family of 7 or 8. There are some tiny houses scarcely large enough to be called a camp.

# [Text]

Senator Fergusson: How small would they be? How many rooms would they have?

# [Translation]

Mrs. Basque: Sometimes perhaps just one. There are others that have two rooms. I have seen a house in which 15 persons used to live and which measured about 15 ft. by 16, no bigger than that. There are others where a drum is used as a stove; and others do not even have a bed to lie on. You can find 5 or 6 children to a bed. I could go on indefinitely telling you of the same discomfort, telling you that there is discomfort here, there is indeed.

# [Text]

Senator Fergusson: We are desirous of hearing the stories you can tell us.

# [Translation]

Mrs. Basque: In a house when there are sick persons receiving only \$90 in social welfare, they have no bed to lie on and no blankets, and there even comes a time when there is ice on the floor, the water comes up on to the floor, there are no foundations, and the house becomes cold and they have to live in sickness in that situation. Then they have children, and they don't have the money necessary to get medical treatment. They don't have the money needed for medicines, because medicines have to be paid for. I think we have to pay 40 per cent before we can have our medicines from the doctor. They have the medical card, but often they do not have the money necessary to go to the doctor's after medicines.

#### [Text]

The Chairman: Senator Fergusson, the staff report from Tracadie said that the housing was the worst they had seen on the whole trip.

I do not peddle it around and talk about it, but now it has arisen, they did say it was the worst on the whole trip.

Senator McGrand: The day we were at Tracadie we visited your home. Your husband was working in the pulp woods north of Newcastle that day. What is the average amount of money that your husband, or any other man working in those woods, can come home with at the end of the week? What is his income for a week?

#### [Translation]

Mrs. Basque: It gives almost two cords of wood a day. At two cords of wood a day—that is an average—because wood, well, we don't grow it in the wood. It depends where he is working during the week. That is why I told you we can't grow it. So it averages close to two cords of wood a day at \$7.50 a cord. I would rather you asked my husband that question as he is the one who works in the wood. Where those things are concerned, I would prefer

it to be him, as it would be more truthful coming from the actual person who works there than from me. I see the other problems. I work on the problem of the poor people locally. I would rather you put the question to him

[Text]

The Chairman: Please put your question to the husband.

Senator McGrand: After you have paid your transportation, your board and so much for the cost of operating your saw, how much money do you have at the end of the week?

[Translation]

Mr. Alfred Basque: In the first place, it is difficult for a lumberjack to tell anyone how he makes out each week because it depends on the places where he works and the company he works for too.

Senator Fournier: Listen. I wouldn't want to interfere, but take an average week. Some weeks you make more, some weeks you make less, so take an average week.

Mr. Basque: An average week?

Senator Fournier: It comes to \$15 a day for you on the average for two cords—that is an average.

Mr. Basque: I am compelled to put it on my income tax slip. As I say, you should know all about it, what the small wage-earners gross in a year. There you have a chance to make the question clearer.

Senator Fournier: You see, we didn't want to embarrass you. I asked a question merely to get an idea, an average.

Mr. Basque: Not enough, precisely; you know what I mean.

[Text]

The Chairman: What did he say?

Senator Fournier: He would have to get the figures from the income tax record. I told him we do not need that, but an average of his earnings.

[Translation]

First, you have your food. You know how much it costs you on the work site.

Mr. Basque: \$2 a day.

Senator Fournier: Then, the chain saws, are they terribly dear?

Mr. Basque: They cost about \$300 to buy before they can be used. Then there are the expenses for that machine.

Senator Fournier: Then there is the transport for getting to work?

Mr. Basque: Yes, there is the travelling.

Senator Fournier: And clothing?

Mr. Basque: For going to and from work.

Senator Fournier: With all those things, how much do you have left at the end of the week?

Mr. Basque: The farther it is, the dearer.

Senator Fournier: Yes, I understand. All right.

Mr. Basque: Let's say, in the place where I am working at the present time, it costs me almost—I mean—clear of everything? At any rate, the average I make for two weeks, because we are paid every two weeks...

Senator Fournier: Five days a week?

Mr. Basque: No.

Senator Fournier: No? Six days?

Mr. Basque: No, it doesn't give us that because on Mondays, by the time we get there, it is day for which we can only claim a half-day's pay. Then, on Fridays, when we return, it is the same thing.

Senator Fournier: The amount you take home—to get a daily average, what is it?—are you left with \$5, 6, 7, 8, 10?

Mrs. Basque: Clear of everything, it gives an average of close to \$100 for two weeks.

Senator Fournier: \$50 a week?

Mrs. Basque: Yes, \$50 a week.

Text

The Chairman: We looked into the situation when we were there. The staff examined it and found that giving consideration to the investment in the sawing machines transportation, food and incidental costs, \$35 to \$40 was the most net per week.

That was taking a broad average from our figures. Now he says about \$50.

Senator Fournier: Well, it was an inflated figure.

The Chairman: Yes, but \$35 to \$40 was the figure that we arrived at. The staff examined it as best they could.

Senator Fergusson: We did a lot of investigating at that time, asking a great number of people and received figures from them on the spot.

The Chairman: I thought the figure was representative; I would not have mentioned it.

Senator Pearson: Is there piece work there or is it all straight from the company?

The Chairman: It is all piece work.

Senator Fournier: By the cord.

Senator Pearson: You provide your own transportation and haul your own logs?

Senator Fournier: They have to cut, peel off and pile in suitable places for transportation.

Senator Pearson: What about maintenance of roads?

Senator Fournier: The truckers look after that.

#### [Translation]

Mr. Basque: Are you asking me the question?

#### [Text]

Senator Pearson: What about maintaining roads to get to the woodcutting areas?

#### [Translation]

Mr. Basque: To begin with, it was not too good this spring. It could have been better. But, now they have improved it quite a bit and it is not bad. I hope it won't come into the same condition as this spring because, in the heavy autumn rains before we have finished that work, we are going to have a lot of trouble to get out. But I have known worse roads than that, because no car could travel on them. Also, we have to walk for an hour and ten minutes in the evening and in the morning to get to the work. We were all "on the job" at \$9 a mile in the log drive.

#### [Text]

Senator Pearson: In a case like that when you have no roads then you are not able to earn any money.

# [Translation]

Mr. Basque: No. It cuts our day in two. When we are obliged to walk for an hour and ten minutes in the evening and in the morning, then take time to eat during the day, and when the road is not good enough to walk with something comfortable on the feet, say low boots, because that's what we use, we use low boots, and when there is snow or water, we use rubber boots. Now I have worked from spring through to January 20 with rubber boots on my feet. Going through all the heat of summer with that on your feet, it's no fun. I have done it for 11 years for the same company. I cannot tell you what company it is.

#### [Text]

The Chairman: I think Senator Fournier can give us that information. I found in talking with him that he knows more about this than perhaps anyone.

Senator Fergusson: I would like to have Mr. Basque tell us just what his work is like. What times does he go to work in the morning when he goes and how long does he stay? We were tremendously impressed at the very hard life those people have and the long hours of work. I wondered why they would bother to go to work when they could stay home and draw practically as much money or more from welfare.

The Chairman: The question Senator Pearson asked was one having to do with roads. I think the province looks after that.

Senator Fergusson: I would like Mr. Basque to describe what his work is like. When do you leave home for work and when do you return? What do you work with, horses, machinery? Please give us a description, because

we who saw it were very much impressed. As far as roads went, we had to walk through trails. I have done a lot of hunting and fishing, but I never walked through worse trails than I did that day. I started with light coloured shoes and they came out perfectly black. What are your accommodations like? Where do you sleep and what kind of place do you have? We learned that accommodations were very, very good for people cutting pulp in Alberta.

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#### [Translation]

Mr. Basque: Madam, I would like very much to be able to answer all your questions, but I have so many in my head that I don't know where to begin. What I would like to make you understand, my personal opinion,-I would like to tell you, from what I can see-it is so difficult to find solutions for solving the problem of the poor-so very, very difficult. We, the poor people, for our part, have organized a committee which we call CRAN in New Brunswick, and its pilot territory is in the north-east of New Brunswick. It is a recognized under-developed territory, and in every way you can think of. We are underdeveloped insofar as our school teachers are concerned. There are many problems besetting the poor in our school board which cause the poor to suffer. After I have mentioned certain things to you, I want to point out to you that I have not come here to criticize anyone, because that is not how things are settled. We are endeavouring to find a solution to each problem, for each individual who lives-who is supposed to live but does not, he merely exists, especially in New Brunswick.

For a start, I have too many things to tell you. I don't know where to begin. But, to begin with, I would like to suggest to you that I think it would be more worthwhile to speak on this subject than to speak about facts. We are going to waste our time speaking about facts, as it is going to take too much time, and time is too precious to waste it in speaking of those things. We have already been talking about them for two years in New Brunswick with the organization we formed, and I am bored stiff with hearing the same things. We go to all the meetings, and we still hear the same things over and over again. Do we want to make war on poverty, or do we want to play at repeating things that happen every day and about which, unfortunately, nothing has been done for too long.

If I may give you a suggestion in order to get you to understand, the first thing I could tell you is that, if we want to live in a democratic country, then let us do things in a democratic way. Let us begin by doing that. For instance, patronage. Do away with patronage because it is not a democratic thing. Let people be able to choose representatives picked by the population, and not by four or five people out of the population, because it is not democratic. That gives rise to very serious things, things that ought not to happen, because our representatives are not chosen by the population in general. There are many people who would like to say things about that, but they cannot do so. They have no option. They are obliged to vote to put a man in, although they might not want to, although they might not like that man, not because he may be, I mean, liked, I mean a man who wants to work for the whole population—he should be liked. That does

not exclude the necessity for liking those who do not want to work for an entire population, because it is in showing them how to act that we like them. If the man does something badly, show him, give him an example of how to do it, and that means he is liked.

#### [Text]

The Chairman: Please answer the question which is put to you.

Senator Fergusson: Mr. Chairman, I do not insist upon having my questions answered if he would rather say something else.

The Chairman: You wanted that answer.

Senator Fergusson: I thought it would be of interest to the committee to know just how hard they do have to work for so little. Maybe he does not think that is important.

The Chairman: He may not have understood your question.

# [Translation]

Mr. Basque: I am going to answer your question right away. At the present time, I leave the house at six o'clock in the morning, and often I have already left before that.

# [Text]

The Chairman: What day? Monday morning?

Mr. Basque: Le lundi matin.

The Chairman: Monday morning.

Mr. Basque: Oui.

The Chairman: How far do you have to travel to where your work is?

# [Translation]

Mr. Basque: Wait now. It is almost 72 miles from our place to Newcastle, then from Newcastle to Yellow Camp is 37 to 39 miles or thereabouts. Add that together and it will give you the distance.

#### [Text]

The Chairman: Seventy odd miles?

Senator Fournier: Make it 75 on average.

The Chairman: All right, 75. How do you travel there?

#### [Translation]

Mr. Basque: It is the closest I have been able to work so far. I used to work farther away than that before.

Senator Fournier: How did you travel?

Mr. Basque: By car.

Senator Fournier: Yours?

Mr. Basque: No, I have never had one.

[Text]

Senator Fournier: He is driving in somebody else's car.

The Chairman: He is driving with some other people?

Senator Fournier: That is correct. He has to pay for that.

The Chairman: Go ahead, Senator. You know what I am trying to get at. You ask the questions.

Senator Fournier: And I know what he is doing, too.

The Chairman: Ask him the questions so that the rest of us will know.

#### [Translation]

Senator Fournier: Let us make this quite short because time is running out. You leave on Monday morning.

Mr. Basque: Yes, on Monday morning.

Senator Fournier: You travel 75 miles—we are speaking in averages?

Mr. Basque: Yes.

Senator Fournier: You go in another man's car. Do you have to pay?

Mr. Basque: Yes.

Senator Fournier: So you start work at what time?

Mr. Basque: Close to eight or nine o'clock.

Senator Fournier: Do you have lunch at noon?

Mr. Basque: No, we do not have lunch because it is too far to go to the camp.

Senator Fournier: You work without lunch?

Mr. Basque: We eat in the wood—two packed lunches a day; one at ten o'clock and one at two o'clock in the afternoon. Then we have supper at six o'clock in the evening, half past five to six o'clock in the evening.

Senator Fournier: When you leave the logging site, do you go back to the camp?

Mr. Basque: Yes.

Senator Fournier: How far is that?

Mr. Basque: At the present time, where I am working, I am in heaven because it is only a 15 minutes' walk.

Senator Fournier: On the average?

Mr. Basque: The first year—and I am already 46, I have been working in the woods for 14 years and this is the first year for that to happen, for me to walk only 15 minutes.

Senator Fournier: Now, your fellow-workers in the wood, how long do they have to walk, on the average? Do they have a half-hour walk, five miles, ten miles, three miles?

Mr. Basque: In one camp, it is almost the same distance for the whole gang.

Senator Fournier: So you work Tuesdays, starting in the morning, and the same thing on Wednesdays and on Thursdays?

[Text]

The Chairman: Does he come home every night?

Senator Fournier: No, he stays in the camp and he has to walk sometimes anywhere from three to four miles. At this moment he is very lucky because he is right close to the camp.

The Chairman: He talks about food. Does he prepare his own food or is it prepared for him.

[Translation]

Senator Fournier: Your breakfast and dinner, do you prepare them yourselves, or do you take them with you?

Mr. Basque: We do not prepare our breakfast, but we do prepare our two packed lunches to eat in the wood in our lunch boxes.

[Text]

Senator Fournier: The two meals are just lunches.

The Chairman: Does he mean sandwiches?

Senator Fournier: Something like that.

The Chairman: Does he stay out all week?

Senator Fournier: He stays out, yes. We have got up to Thursday. We are making progress.

[Translation]

Mr. Basque, on Fridays, what do you do?

Mr. Basque: We work up to Friday afternoon and then we all go down to the camp.

Senator Fournier: Up to what time?

Mr. Basque: When the second week comes around, that is to say, the week we get paid, it is a little later when we leave camp.

Senator Fournier: Yes. But, on the average, what time do you leave?

Mr. Basque: Two or three o'clock in the afternoon.

Senator Fournier: To return home?

Mr. Basque: There are some who return home towards four o'clock in the afternoon.

Senator Fournier: You don't work on Saturdays?

Mr. Basque: No.

[Text]

Senator Carter: How many hours does he work per week, Senator Fournier? Would you ask him that, please?

[Translation]

Senator Fournier: How many hours per week do you work?

Mr. Basque: It all depends. In good weather we might work every day, for a higher total of hours. On the other hand, I have known it to rain for two or three days at a time, in which case we have to sit tight and get a low total of hours.

**Senator Fournier:** Now I have another question for you. In periods of bad weather, do you still have to pay for your food and so on?

Mr. Basque: Yes, it makes no difference. Even if you are sick, which happened to me last week—I might have eaten one lunch, no more—I still had to pay my two dollars.

[Text]

Senator Fournier: Does that answer your question, Senator Fergusson?

The Chairman: Just a moment. Does that finish your questions, Senator Pearson? Following you I have Senator Hastings, Senator Fournier (Madawaska-Restigouche), Senator Carter and Senator McGrand.

Senator Hastings: Mr. and Mrs. Basque, I should like to join the Chairman in thanking you for coming here and being with us this morning. You are one of the few who have appeared before the committee who have actually lived in and experienced the conditions for which we are trying to find the finances to alleviate and to assist. The job we are trying to do here is to change attitudes. We are trying to change the attitudes of, as you call them in your brief, the rich. Let us call them the upper-income people. We are trying to teach them, if we can, that you are not the type of people they think you are.

My questions are probably going to be somewhat personal. Do not feel obligated to answer them, if you do not wish to, but in my province of Alberta I know that the people there would be appalled at the conditions under which you are called upon to exist, and the reason that I want to ask you the personal question is in order to convey to the people in Alberta just what your situation is and to seek your support to help you. We have to do this in this country if we are going to find the answer.

Now, Mrs. Basque, you mentioned earlier that you have six children.

Mrs. Basque: Yes. Oui.

Senator Hastings: You were born in New Brunswick?

[Translation]

Mrs. Basque: Yes, I was born in New Brunswick in 1935.

[Text]

Senator Hastings: What grade did you go to in school?

[Translation]

Mrs. Basque: I finished my grade 8, and I had to do two years' refresher course in school, which is what I

am doing now, this year. This is why I asked you to have a number of teachers specially trained for our schools, because at present they are not equipped to retrain adults to become responsible members of society, in order to help others to do something constructive, really worthwhile. The big brass are very enthusiastic about planning nowadays, which is a dangerous thing. I hate to say it, but the poorer people come off the worse for it. If there were less planning, a less patronizing attitude, poorer people would do much better. I think you could improve the system and give such people a better chance to make something of themselves.

#### [Text]

Senator Hastings: Did you work after you completed your education before you got married?

# [Translation]

Mrs. Basque: I worked as a maid in private homes, but the wages were very low—\$15 per month.

#### [Text]

Senator Hastings: Mr. Basque, you were also born in New Brunswick. Is that correct?

Mr. Basque: Yes.

Senator Hastings: What grade did you go to in school?

Mr. Basque: Grade one.

Senator Hastings: May I ask your age?

#### [Translation]

Mr. Basque: What is my age now, do you mean? I am 46. I am a day-labourer. I am prepared to do any work in that line, if I can find any, even leaving lumbering aside. I would do anything I was capable of doing. That's all there is in New Brunswick for a day-labourer, but I could find other work on jobs, but a day-labourer is always worse off there than in the lumber trade. It costs you more because you are in town—you have to pay a lot to live there. It is worse than on lumbering jobs, which is why I prefer the latter.

#### [Text]

Senator Hastings: Now you are married and have six children and throughout your married life you have been a woodcutter or on casual employment because of a lack of skill saving that of woodcutting, and may I ask if you are on welfare?

#### [Translation]

Mrs. Basque: Not at the moment. Unemployment insurance bridges the gap in winter, or else we would not have enough to live on. You cannot live on less than \$240, so that with unemployment insurance, we cannot meet our family needs. When he is working, we cannot draw welfare.

#### [Text]

Senator Hastings: You are living—and I should not say "living", I should say existing on perhaps \$200?

#### [Translation]

Mrs. Basque: We get by. We say we are making a living when we talk amongst ourselves so that our children won't get too worried, but we are really just existing. Our children suffer enough without making them suffer any more.

#### [Text]

Senator Hastings: You have no car?

Mr. Basque: No.

Senator Hastings: Television?

#### [Translation]

Mrs. Basque: Television, no; a while ago, but not recently. We bought a TV set just two years ago because for us its a necessity, not a luxury. If you want to be reasonably well informed, you have to keep up with what is going on and how things are being done. If we have no radio or television sets, no newspapers, well—we become even more ignorant than we are. That way, we can have the benefit of hearing educated people like yourselves talking, and pick things up, learn how it's done. We are always glad to learn, and we can form some idea of who is trying to help poor people and who is not.

# [Text]

Senator Hastings: I completely agree with you. I did not want to say it was a luxury. It is a necessity. It is one of those things in today's society that is a necessity. I think a car is a necessity for a family of eight.

Senator Carter: Five or six months of a year. Is there anything to do in the rest of the year? Can you do carpentry work or something else like that during the rest of the year?

#### [Translation]

Mr. Basque: No, I cannot work on framework unless someone shows me how. I think I could learn, because that type of work appeals to me. I was never trained for it. Yes, it really is a necessity, a car, if you have to travel to work. There is no work near our homes, so that half the time we have to accept exile. In New Brunswick, unfortunately, the young people leaving school will not be able to find positions and will have to sit on their thumbs. We are going to become a society of 'nouveaux pauvres'.

#### [Text]

Senator Hastings: One of the myths that exists with respect to the poor is that they are lazy and they do not want to work; that they would sooner draw welfare payments or stay at home, and your evidence this morning has completely dispelled that idea as indeed it should be dispelled. But we heard evidence yesterday that for the potato crop in New Brunswick help could not be hired to dig the crop. I think I know the answer, but I wish you would take your time and give us the answer.

#### [Translation]

Mr. Basque: I know why you cannot get help to harvest potatoes.

### [Text]

Senator Hastings: They cannot hire the help because the people would sooner stay at home and draw welfare payments than go out there and assist in taking in the potato crop.

# [Translation]

Mr. Basque: Yes, because people are afraid of losing the few peanuts they have. They work for peanuts, but if they lose that, they'd have nothing at all; they would be even worse off. I don't blame them, they are not as stupid as all that.

# [Text]

Senator Hastings: Neither do I. I do not blame them. That is the answer I wanted, that if they went to work part-time...

#### [Translation]

Mr. Basque: I agree one hundred per cent with what you are saying: I absolutely agree. It is as I told you-I want to criticize, but only if I can offer constructive criticism, not just make negative comments. This is what I want to do, and this is what I want you to understand, that a government can never beat poverty on its own. The politicians, members of parliament and ministers are just not able to administer the poor properly themselves. The entire population has to join in to make people aware of their problems. Then, I told you that things had to be more democratic, that once people had become aware of the problem, they would then have the privilege of choosing key men to solve their problems. These are not just the problems of a small group of people who are 'wheeler-dealers' who destroy governments. The 'wheeler-dealers' talk for the government, build up faith in the government, but it is really they who tell others what to do; they are dictators and tell the government what to do; they seem to work for the poor and act on behalf of the poor, and think these are their supporters.

#### [Text]

Senator Hastings: That is what I wanted. Of course that is exactly why we are here today, Mr. Basque—to work with you and work with the people in trying to solve this problem. There is just one other question I had to ask you.

#### [Translation]

Mr. Basque: I wish to congratulate your entire group here. I would like to express my heartfelt thanks because you have proved that you are one hundred per cent with the people in looking for solutions to poor people's problems. I am all for that. All of us are completely in favour of it, but they cut budgets and that stops more people from joining in. Then, they give us a White Paper—well, I did not put the matter in any White Paper. They want to stop people from participating; how can they talk about dialogues if they stop us from joining in and cut budgets—poor people just have not the means of getting about.

#### [Text]

Senator Hastings: I have one other question with respect to the suggestion in number 4. I find this rather a strange statement and I would like you to explain it—"The right to go where we want to go under the laws, and not turn the car in another direction or be kept out of a community". Can you tell me what you mean by that?

#### [Translation]

Mrs. Basque: Not so long ago, after April 5, some people belonging to the CRAN (Regional council of north-west development) agency were sent packing in their car and told: get away from here, we don't want you here. That really had a strong effect on me. Those were well-educated people and were trying to help poor people out of the hole they are in, yet this person was sent packing in his car and told: get away from here, we never want to see your face here again. That is an attack on a person's liberty. But such incidents are quite frequent in north-eastern New Brunswick. It is a great pity, but we have reached the stage where people are no longer free to say what they think or to do what they like. We don't want to destroy anything, we want to make things better. We haven't time to discuss the problems which exist for the poor of north-eastern New Brunswick; I often find in meetings such as this one today that the arrangements are not the same, things have to be cut short, all the explanations needed to get right to the heart of the matter, because proceedings have often been cut short. In other words, something of value is taken out.

#### [Text]

Senator Hastings: You said your children were in grades between grade 3 and grade 10. Do you believe they will stay in school? What is your view? Just your own children.

# [Translation]

Mrs. Basque: Even if it meant 1 only ate once a day, I would do my best to have my children continue in school as long as possible. Seeing us the way we are, they are quite unhappy to realize that we have not enough education to allow them to live as you people do. I think I would do anything to give them a good education—their father has no schooling and I have very little.

#### [Text]

Senator Fournier: Mr. Chairman, I will be very brief.

#### [Translation]

I am going to be very brief—I have just two short questions for Mrs. Basque. I believe you mentioned, Mrs. Basque, that maximum welfare was \$125 per week for eight persons?

Mrs. Basque: For food, on social welfare.

Senator Fournier: That gives you about 17 or 18 cents per meal?

Mrs. Basque: Yes, per meal, per day.

Senator Fournier: Are there families which are forced to live under such conditions at present?

Mrs. Basque: Plenty. Seventy-five per cent of poor people are obliged to live like that.

Senator Fournier: Yes, I see. Thank you. In your remarks, if my memory serves me right, you mentioned that you would have no objection and in fact would be glad if only half of what a man earned was taken away and he drew unemployment insurance, something like that?

Mrs. Basque: That is not the idea I was trying to get over. I was trying to say that if he was given what was left, at least half his salary, he might manage to become rather less poverty-stricken. That is what I was trying to say.

Senator Fournier: Don't you agree that if someone receives unemployment insurance, draws on a pension fund, that the money he is given with the right hand is taken away with the left, instead of his being allowed to keep it all?

Mrs. Basque: Not in the sense that you think. That is not what I mean. The way you are putting it, is just the opposite from what I am trying to say. I want you to understand me, so that I can see the way you are thinking and explain better when you ask me another question.

Senator Fournier: If I understand this correctly, a person receiving social welfare or working has his unemployment insurance payments stopped. For example, if he goes out and earns \$25 or \$35 dollars, that much is taken out of his unemployment benefits?

Mrs. Basque: So—if you need \$240 per month to live—not live, exist—and he earns less than \$240, he still hasn't got \$240, so the rest should be made up to him. If he's working, he is not getting in excess of that amount, yet his income is not made up to that amount.

Senator Fournier: We agree one hundred per cent on that. I think we agree on the other point too—it's just how words are used, really, that's why we were not understanding one another. The fellow who makes \$25 or \$30 dollars should still get his unemployment benefit?

Mrs. Basque: Yes, if he really needs it, if he has eight children and only \$240, they all have to eat. Where do they get food? They go begging. This is the extra I am talking about. So I am glad you asked your question in the right form.

Senator Fournier: I want it to be set right in the records, since I share your opinion entirely, madam.

## [Text]

Senator Carter: I have two questions for Mr. Basque and a few for his wife. Mr. Basque, you told Senator Hastings you had grade 1 when you left school. What age were you?

[Translation]

Mr. Basque: About 10 or 12, something like that, I don't remember too well.

[Text]

Senator Carter: Ten or 12. At what age did you begin?

[Translation]

Senator Lefrançois: At what age did you begin to attend school?

Mr. Basque: When I was about 10 or 12.

Senator Lefrançois: At what age did you begin?

Mr. Basque: At about ten or twelve.

Senator Lefrançois: And how old were you when you left?

Mr. Basque: I left the same year. I gave you my reasons for leaving—no, I don't think I gave them here.

Senator Fournier: At that time, there were not schools such as we have today.

Mr. Basque: There were schools, because I went to one. It was not as coinfortable as nowadays, but there were schools, it is not true to say that there were not.

[Text

Senator Carter: Did you have to walk very far to get to school?

[Translation]

Mr. Basque: About two miles, on foot.

[Text]

Senator Carter: Have you done any work besides woodcutting?

[Translation]

Mr. Basque: Yes, laborer on construction, helper, carpenter.

Text]

Senator Carter: So you have some skills then. When did you start working?

[Translation]

Mr. Basque: At about the age of 14.

[Text]

Senator Carter: When you were 14. How long have you been working now in the woods?

[Translation]

Mr. Basque: Fourteen from forty-six leaves thirty-two.

[Text]

Senator Hastings: Thirty years.

The Chairman: No. He said he had worked at other jobs too as a handyman. The question was how long he had worked in the woods. Could you ask that again and

explain it to him, because he said he had been working at odd jobs in other places.

Senator Carter: How long have you been working in the woods, just cutting wood?

#### [Translation]

Mr. Basque: Thirty years or so.

#### [Text]

Senator Carter: When you are working in the woods, do you work all year round or just part of the year, for a season?

#### [Translation]

Mr. Basque: Five or six months a year.

# [Text]

Senator Carter: Yes, you cannot get training because you do not have Grade 10. That is your problem?

#### [Translation]

Mr. Basque: Exactly.

#### [Text]

Senator Carter: These wood lots that you work on, are they Crown land or Government owned, are they company land or private land?

#### [Translation]

Mr. Basque: Sometimes logging is done on Crown land with the company paying stampage and sometimes on their own land.

#### [Text]

Senator Carter: You speak about unused wood lots and you seem to imply in your brief that you could work on these. Why are people not working on them?

#### [Translation]

Mr. Basque: Isn't there a government law whereby the government assigned land to a company for 99 years?

#### [Text]

**Senator Carter:** I have just one question. You mentioned that you suggested that people working in the woods, families, if they earn say \$3,000 and the family needed \$4,000 to live, that the Government, or welfare, or somebody should pay the balance. Is that what you suggested?

### [Translation]

Mrs. Basque: What was put in the report fits in with what the Economic Council suggests for the welfare of all Canadian citizens taken as a whole. You need about \$4,000 to live at all reasonably. My husband makes less than \$3,000 because he is not mobile. He would make much less than that because when he is not working we receive unemployment insurance and he makes about \$1,798 per annum, gross. With assistance we get as high as \$2,900 at the most, never any more. This is all we have to live on because what falls by the wayside we never see—the automobile and finance companies and

such like get it all. We cannot live on that amount—all that's left to live on is about \$2,900. You have to have a good head on your shoulders to manage on that and not run up debts. I think society would be greatly improved if every family with six children got \$4,000 and keep that amount, not to pay for other poor members of society. That way we would have enough, but we should not have to pay for other poor people.

#### [Text]

Senator Carter: If the Government paid \$1,000 you have earned \$3,000 this year and you need \$4,000 and the Government paid you the other \$1,000—next year, do you think the company would lower the price of wood, the price per cord?

#### [Translation]

Mrs. Basque: Perhaps it could increase it. Perhaps it could bring it down, I mean. When the labour market is flooded, that's when you can get help for peanuts. At such times certain areas and certain companies take full advantage of the situation to get people to work for less money. That's what leads to poverty.

# [Text]

#### Senator Carter: Yes.

The Chairman: With the answer, is there something to that? There is more than appears on the surface and I think that is a good enough answer.

Senator Carter: Senator Hastings asked you what you meant by saying "free to live where you wanted". That phrase puzzled me, too, but I was not quite clear as to the answer you gave to him. Could you give me a short answer again, just a few words? What did you mean? Can you not live now where you want to live?

# [Translation]

Mrs. Basque: No, not us; as I was telling you, in the north-east, if someone stops in a car and is told: go away, we want nothing to do with you, then that person is not free to act. Perhaps I spoke too hastily. The point I want to make is that if you live in a place like Canada, you have civil rights, you have the right to live freely. If some members of society see fit to send a person packing, telling him to go somewhere else, to another province or another parish, because they want nothing to do with him, is that real freedom? This is where this report and the report you heard this morning are similar. If a person of higher class undertakes to help us, he loses his status immediately. They do not want social development work for the poor.

# [Text]

Senator Carter: There are two more short questions. My question is—carry on, you have talked about social animation and you have mentioned the word now. You mentioned it in your brief. Would you explain what you mean by social animation? Who starts this?

# [Translation]

Mrs. Basque: Social development officers came to our county to organize meetings and make us aware of our

problems—problems we did not realize we had, that is, We had had our eyes closed by patronizing attitudes and then by anxiety. Then there was pressure and they were told: if you talk, you will lose your assistance payments as well as your social welfare. Threats of patronage should be eliminated from society in order to give society, to give most people—and most people are poor—free speech within their own society. Poor people have not got free speech; they just have the right to be told that they are beyond cure, good-for-nothing, lazy, parasites and dishonest. They should be piled up in depots and left there to rot-that's all they are good for. I have even heard really well-educated people saying let's take off the cream and throw away what's left—meaning poor people. Yes, I heard that with my own ears, and worse. We suffer the most terrible humiliation, but we have to face up to it and tell ourselves that we have to face up to it andhave to try to step forward and look such people in the

# [Text]

Senator Carter: Who are these social animators? Are they Government people, officials, are they Government or university people?

# [Translation]

Mrs. Basque: Up until April 5, they were paid through an agreement between the federal and provincial governments. Some of the upper levels of society put in complaints to the provincial government asking them to cut off our funds; they said that we were trouble-makers and some even called us Communists. However, inside myself I cannot see that I am so bad; I am trying to examine both sides of the coin, to look whoever is talking to me in the eye and try to understand what he is saying and put it into practice—like the ideas I am trying to give him—to make some practical use of anything good which comes out of the dialogue.

I cannot help wondering why both levels of society cannot get together, cannot talk things over just as we are doing here; everything is alright with the task force, but higher up the ladder things are not so good.

To give you an example, I went to a conference on welfare held in Toronto, and it was necessary to apply pressure—no strong-arm stuff, just verbal pressure, to ask for free speech, because the well-educated people there were given every chance to speak out but we were not, because we are just lost causes, and a lost cause is not much good to society. But if those educated people would just give the so-called lost causes a chance, I think society would be vastly improved, because there are many more lost causes amongst well-to-do people that there are amongst the poor. Poor people are not lost causes, because I am one myself, and if I have got where I am today, it is through social development work and the support of good-hearted people. I know some at just about every level, but of course they do not include the top brass in many areas. Those at the top take such a long time to see things as they are, and it is dangerous when you become blind to the truth, because as you all know, when the blind lead the blind, they soon both fall into a ditch.

So you need enlightened people who can enlighten others in their turn. That is what I am asking for.

# [Text]

Senator Carter: The social animator gets you together and you talk about your problems. Do you have a committee or a group formed now that carries on the discussion?

# [Translation]

Mrs. Basque: Yes, but for our part, we haven't existed as a group for very long, just a year, because we had difficulty in making the educated classes accept the idea of social development—they did not want anything to do with it.

#### [Text]

Senator Carter: Accepted by whom?

# [Translation]

Mrs. Basque: By people in positions of power, the elite, and amongst the elite...

### [Text]

Senator Carter: Do you mean the Government?

Senator Hastings: The Establishment!

#### [Translation]

Mrs. Basque: I would say that there are those who belong but that they are not a very big group. I shall not name names. There are some, however, and I know them personally; they are the people who tell us that we are lost causes. Some of us are, but not all. You cannot lump everybody together and say that they are all alike, because different people have different characters and different degrees of will power.

#### [Text]

Senator Carter: Is this the committee, CRAN, you mentioned in your letter, with regard to which you say the funds are now cut off? You say that you had funds to start up, but they have since been cut off.

The Chairman: CRAN, she says, was organized to carry on social animation amongst the group, funded by the provincial and the federal governments.

## Senator Carter: Yes.

The Chairman: It became very active in many ways, and when we were in New Brunswick an announcement was made they had cut off the funds. Both the federal and the provincial governments decided to put an end to it. You will remember that we had a witness before us on that matter.

Senator Carter: There was too much animation.

The Chairman: They gave no reasons so far as I could tell, and the president who came before us was not able to explain the reason. All he could say that the funds were cut off for some reason or other, and that is what Mrs. Basque is referring to.

Senator Carter: I have one last question. Will you tell us in your own words about your relationships with the Manpower officials and the Welfare officials? What kind of a relationship do you have with them? Is it a good relationship, or do they treat you as though they were your boss? Do they talk down to you?

#### [Translation]

Mrs. Basque: Very often—to show us that they are the big brass.

For example, in my capacity as local chairman of the CRAN committee in Tracadie, I asked for sewing classes for my group, and I had a really hard time trying to find out just exactly where I should go to get these classes arranged. I had a group of about 15 people who wanted to take sewing classes and when I went to the Manpower Centre I had to repeat my questions several times until in the end I got angry and asked them if they could direct me somewhere for the information I needed about such classes. I could not pay anyone to give instruction to the people concerned so I took steps myself and both letters arrived at once-one from ARDA in Bathurst and another, at the same time, from the Manower Centre in Bathurst. They both asked the question: why did you do what you did? I told them that since I had no information, I had to knock at many doors-the fastest to open was obviously the best one.

# [Text]

Senator Hastings: In other words, Mrs. Basque, do I understand correctly that out of all the assistance programs we have in the Government the one that assisted you the most, and gave you the leadership to do something about your position, was the program CRAN which was discontinued? Is that correct?

#### [Translation]

Mrs. Basque: Yes, that's right; social development means that we can work better with people like you, and even the government, because we have no opportunities and no education to be able to converse with educated people including the government—yesterday, well, I can tell you, I witnessed something which really opened my eyes. You have to be able to use your wits and have your skates on if you want to get worthwhile answers; you have to be quick and for that you need a certain training in social development.

# [Text]

**Senator Fergusson:** Mrs. Basque, when the Government gave up CRAN did they not say they were going to supply you with some similar sort of assistance?

#### [Translation]

Mrs. Basque: It is to direct, Mrs. Fergusson. I know some people who are in the group now very well, and certain activities go on which we just do not know about until it's all over.

For example, auxiliary development workers were trained but we did not know about this until it had already been done. So we do not get information about these people on time and go another way round to avoid them because of the reputation they are giving to CRAN

and people like us, that we are revolutionaries. We are not revolutionaries, we are people who want to help the government and anyone else who wants to try to do some good, and we want to pull together; we do not want to destroy anything, we want to improve things.

#### [Text]

**Senator Fergusson:** I have one or two other questions that are not personal ones. I should like to know if there are many unemployed in the area in which you live around Tracadie?

# [Translation]

Mrs. Basque: There are many unemployed people in the Tracadie region since there is no work there. In addition, anyone who could get hold of a car and travel 200 or 300 miles might be able to get a job.

# [Text]

Senator Fergusson: Would they just have to take jobs as labourers, or are they trained to do anything else?

#### [Translation]

Mrs. Basque: Those who are not day-labourers would have to travel so far—even people with a skill, since they would get a better position further away, where all the openings are. With the existing manpower situation, people could be retrained, but even then, some companies do not want to hire you because you have not the experience—you have theory, but no practice. They need more practice, which is why employers will not hire them even though they have taken retraining courses.

#### [Text]

Senator Fergusson: When I first questioned you I meant to say that, as all others members of the committee, I appreciate very much that you and Mr. Basque have come here to talk to us. You have given us a lot of help. I just wish you to know that I too appreciate it.

The Chairman: May I, Mr. and Mrs. Basque, thank you on behalf of the committee. Today you have made a very worth while contribution in the manner in which you have expressed yourselves, giving us the benefit of your experience and knowledge. You have helped the poor by advocating and presenting before us their problems and responsibilities. This will all be very useful to the committee.

#### [Translation]

Mrs. Basque: Before I leave, I would like to say that this has given me great pleasure and affects me deeply, since it affects all poor people. When I get back, the question I will have to reply to is: are all the things which we are discussing and which have been found in places where there have been visits from commissions like these, are they going to be taken up by the government and used in the best way possible or are there going to be continual inquiries, constant new starts, taking an enormous amount of time.

There are some amongst us who are really in a bad way, in the greatest distress, and they just cannot wait

twenty or forty years, they need immediate help. That is what these people need and what they are asking for, and that is what I am working so hard for, almost 24 hours a day, to help such people, and I do not want them to be disappointed.

I know that you are also working hard and I know the importance which you attach to your work—a sentiment which I share.

I hope, then, that in future our governments will really listen to what the poor people are saying and that they will try to hold dialogues, to build not from the top but from the bottom. I think that it is in building from the bottom that we will have a better chance to have a truly free country which is good to live in. Thank you very much.

The committee adjourns.

# Appendix A

Brief on Research and Development Institutes for Social Technology Presented to Special Senate Committee on Poverty, Senator David Croll, Chairman, by Saskatchewan NewStart Incorporated, Prince Albert, Saskatchewan, Canada. September, 1970.

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Chapter I-Need for New Social Technology

There is no need for us to elaborate on the prevalence of poverty and its concomitant problems in Canada. They have been amply documented in previous presentations to your Committee. These earlier briefs have clearly defined the problems but have not produced the ideas on which national programs can be mounted. The Committee is also aware that much research has been conducted by educators, social scientists and others, but there has not been a translation of their findings into effective action programs. The purpose of this brief is to propose a mechanism for bridging the gap between scientific knowledge and its practical application in the elimination of poverty.

Why has so little progress been made in finding solutions to these age-old problems in spite of the vast resources and technical know-how we have in Canada? Numerous programs have been initiated and many organizations have been developed over the years to cope with these problems. Yet little real progress is apparent. We still are trying to cope with yesterday's problems while signs of new crises are on the horizon. Why is this? It is our view that the principal reasons are:

- 1. We ignore the signs of approaching social crises and react to them only after they occur rather than anticipate and plan ahead to prevent them. This is to say we expend our resources on short-term, temporary solutions rather than invest in prevention.
- 2. We subscribe to the view that human well-being is the product of good economy and attempt to use economic solutions to social problems.
- 3. Perhaps the most important fact is that in spite of the rapidly changing nature, scope and complexities of social problems, our institutions continue to use traditional methods to deal with them. Too frequently these methods are pathetically inadequate for the job.

At the present time Canada is doing very little to develop better methods of reducing poverty and its related social ills. On the other hand, we are spending enormous sums on physical science research and development.

There are signs that we Canadians are in for a series of social crises as more groups find our social institutions inadequate and unresponsive in meeting their needs. Ethnic groups, welfare recipients, unemployed, underemployed, and many others are finding it necessary to resort to forceful means to demand social equality. Unless better methods of coping with social problems are developed, these confrontations will be used increasingly to force change and to make institutions more responsive, effective and efficient.

There is a need to create better methods of human and social development to ensure that Canada will have the means of achieving a just and equitable society. Such new methods can not be invented by surveys or armchair techniques. They can be developed only by means of action-research which conceives, develops, tests and evaluates various methods in real life situations among the poor. The experience with the Canada NewStart Program has proved that training, while necessary, is not sufficient to enable the poor person to extricate himself from poverty. The multi-faceted problem of poverty must be attacked by an integrated and comprehensive program of services. This requires a marked change on the part of many social institutions that currently provide single solutions based upon the methods of a single profession. There is a need, therefore, to develop the multi-disciplined integrated programs that are required to deal effectively with poverty.

#### Chapter II-Social Research and Development

We have said that there is a serious gap between the discovery of new knowledge and its application. In education for example, studies have revealed that it takes 35 or more years for research findings to be put to practical use in the classroom. The urgency of today's social problems will not allow us the luxury of such a great time lag. It is our conviction that positive steps must be taken to reduce this gap to a minimum and apply the knowledge which now exists to the problems of our society. It is through the process of development that scientific knowledge is melded into operable programs.

Development has been defined as follows:

"The development domain lies in a gap between scientific knowledge and user practices. Development is the systematic use of scientific knowledge directed toward the production of useful materials, devices, systems or methods, including design and development of prototypes and processes."

Research and development of new and better solutions to poverty problems involve steps such as the following:

1. Analyze the factors that produce and maintain poverty;

<sup>&</sup>lt;sup>1</sup> Richard E. Schutz, The Nature of Educational Development in Journal of Research and Development in Education, Vol. 3, No. 2, Winter, 1970.

- 2. Identify the changes that are necessary in individuals to improve their skills so as to increase the probability of their employment:
- 3. Identify the changes that are necessary in social programs (such as income support, manpower programs and local leadership development) to provide the conditions to alleviate poverty;
- 4. Identify theories and educational, psychological, social work and other techniques which could be used to achieve the necessary changes;
- 5. Prepare the approaches, methods and materials to be used on an experimental basis;
- 6. Conduct the projects among the poor in appropriate experimental circumstances to identify the value of the projects in various situations and with different types of poor people, and conduct the new methods with everybody on welfare in selected locations to see how many can become self-supporting and/or better citizens. This could be used to estimate the mix of types of assistance such as guaranteed income and Life Skills training that best meet the requirements of the various situations;
- 7. Identify the type of organization that could best conduct such projects on a widespread basis;
- 8. Arrange with appropriate agencies to jointly sponsor demonstration projects of the new methods;
- Encourage government departments to endorse the methods and adopt them on a widespread basis;
   Train agency personnel to implement the new techniques.

Initial planning of projects must start, not from the particular premises of a given agency, but from the needs of a sector of the population. This might be poor families living in a city slum, the inhabitants of a Metis colony, unemployed out of school youth, etc. The needs of these groups can not be met by one agency alone, but require an integration of welfare, education, recreation, rehabilitation and other services.

There are regional differences (Prince Edward Island vs. rural New Brunswick vs. the northern prairies) and there are ethnic, cultural and language differences that must be taken into consideration and which demand the development of programs for different regions. In addition, programs are needed for pre-schoolers, school children, youth, single parent families, handicapped and elderly. "Education and training" can not be interpreted in the traditional "school system" and "manpower" sense. These are necessary but not sufficient, particularly for Native peoples. Their needs are much greater and include cultural and social development, life skills, nutrition, home making, pre-natal and child care, money management, the use of credit, etc.

Many poor have the simple need of survival as represented by those with chronic ailments, old age, etc. On the other hand, the working poor who receive the least effective assistance, yet have the potential to contribute positively to society, could probably benefit most from programs to qualify them to become very competent in their personal and work lives. By preparing comprehen-

sive projects to assist poor people become competent to deal with their problems and become effective members of society a development centre would contribute to the alleviation of poverty. Such an integrated and comprehensive project would use many disciplines in development and possible operations.

The most appropriate concepts and techniques from education, social work, psychology and other behavioural sciences could be integrated into new types of programs far more effective than the single discipline approach of social agencies today.

There are a number of approaches to changing human behaviour. Four of the most important are: psychotherapeutic approaches, institutional approaches, social welfare approaches and educational approaches. Psychotherapeutic systems grew out of an attempt to provide treatment for the mentally ill and to discover principles for explaining human behavior. Institutional systems, as represented by prisons, mental hospitals, and reform schools, grew out of a need to protect society by removing from it those individuals who, for a variety of reasons, constituted a potential threat to good social order. Social welfare systems emerged out of the need to provide destitute people in urban areas with a minimum subsistence. The educational system grew out of the conviction that the smooth functioning of a democratic society required an educated citizenry.

Until recently, these approaches were not related in practice. Today there is a growing awareness that sound mental health, the protection of society, and the education and welfare of all citizens, are intimately interrelated. Yet, in spite of this awareness, there still exists considerable separation between each of these approaches represented by different professional allegiances and different bodies of knowledge and theory. Although in each of the fields it is beginning to be recognized that human behaviour is highly complex and cannot be dealt with in a piecemeal form, there have been few attempts to integrate the varying points of view. Each of these approaches by itself is inadequate to deal with the problems of poverty, nor is a mere composite of these theories and techniques enough—a new synthesis is needed.

The Canada NewStart Program was launched as a Pilot Project, to investigate the problems of "disadvantaged" Canadians in various parts of the country and to develop and test alternative and multi-disciplinary methods of attacking these problems. The program is only now beginning to produce results in the form of knowledge, techniques, programs, curricula, etc. There will be a continuing need for this type of applied research and development to support whatever national or regional programs are mounted in the attack on poverty, illiteracy, etc. NewStart has just scratched the surface and has just begun to ask the important questions let alone come up with the answers.

In practical terms all of the NewStart Corporations will have products which should be of direct value in the development of anti-poverty programs. In particular, Saskatchewan NewStart has developed a number of curriculum "packages" which are ready or will shortly be ready for testing in operational programs. Among these

are a Life Skills Program; Basic Education for Adult Illiterates; Basic Education for Adults (Grades 4-12); Training Courses for non-professional "coaches" as instructional staff for such courses; training courses for various para-professional workers such as teachers aides, welfare worker aides, etc. A number of other programs are at various stages of conceptualization and development by Saskatchewan NewStart.

Alberta NewStart has been particularly active in attempting to develop techniques and methods for use in isolated communities typical of the Northern prairies. The installation and use of mobile training centres in such communities as Janvier, Kikino and Fort Chipeweyan to provide training to native families has produced a wealth of experience on many of the practical problems which can be anticipated in any major program aimed at native peoples. Apart from the capital investment required to provide facilities in these isolated communities, the problems of getting the support and participation of community members, the testing of various types and levels of literacy and adult education materials, preschool and day-care facilities, homemaking, nutrition, pre-natal and childcare, and other programs have been carried out. Alberta NewStart has operated as a "demonstration" project and its products will consist primarily of reports on what has worked and what has not worked under various conditions. Alberta NewStart will also produce a number of "packages" in the form of education and training curricula which have been developed and tested in their program.

Nova Scotia NewStart has developed and is testing an individualized multi-media multi-mode program in Adult Basic Education. This allows the individual to design and conduct his own curriculum to achieve his personal goals. He is assisted by counsellors and instructors but can proceed at his own pace in a non-classroom environment. Nova Scotia NewStart has also provided training in arts and crafts, homemaking, and a variety of service occupations through a form of on-the-job training. Nova Scotia NewStart has also developed a method for Designing a Curriculum (DACUM) which has general applicability to educational and training programs.

Prince Edward Island NewStart has developed and is testing an individualized approach to Manpower Development. In this experimental program the individual enters the program at the particular point for which he is qualified, takes those components and elements which he requires and graduates when he has met pre-determined standards. A significant effort will be made to provide effective placement services and follow-up support for the graduates of the program. If this approach proves practicable and economic it may have an important bearing on the design of future adult education and occupational training programs. A complementary program under test in Prince Edward Island is the development of comprehensive Community Service Centres in relatively isolated small communities in Kings County. These centres will provide information, advice, and assistance to residents of communities as individuals and groups on such matters as welfare and other services to which they are entitled, training, employment, mobility assistance, and community action.

The above summary presents only a few highlights of the NewStart programs. It is hoped that those responsible for designing programs for the poor will explore these programs in detail in search of information, knowledge, and materials which are relevant to their particular problems. As long as they continue in operation these corporations will be a direct source of input to innovative and realistic program planning.

At the present time the NewStart Corporations are the closest example of the type of research and development required for an effective attack on poverty. Each of the Corporations, however, is concerned primarily with those poor who have the potential if they are given the opportunity and means for self development. There is need to extend this work, but also to develop methods of helping people who are poor because they are unable to work for physical, mental, or age reasons. A Guaranteed Annual Income is needed for both groups at the present time but if investment is made in development as well as survival subsistence the ultimate result should be the escape of many from the poverty levels.

Chapter III—Organization of Research and Development Institutes

We have repeatedly emphasized the need for multi-disciplinary projects because of the need to utilize all information and techniques in the difficult area of alleviation of poverty. There are no models for such integration of knowledge. Universities, government departments and social institutions have not been able to achieve such integration. Although they have been able to organize multi-disciplinary teams on occasion, they have not been able to achieve integration of theory and technique.

There are very few, if any, organizations in Canada today that are involved in the development of social technologies. Universities have demonstrated interest in research but not in development.

According to a U.S. report<sup>1</sup> on the behavioural and social sciences:

"The specialized departments of the arts and sciences colleges of our universities militate against the development of the potential of these sciences as contributors to the solution of social problems. The whole tradition of specialist scholar-teacher-student relationships works against concern for the arts of practice and also against large-scale multi-disciplinary research. The experience of the recent past attests to these incompatibilties. It would be easy to collect many illustrations of how alien applied or professional sciences are within the arts and sciences faculties of universities. There are always a few exceptions, but the estrangement of applied research from the departments tends to be greatest in those universities where the departments are strongest, and this tends to degrade applied work in the very settings where it might best gain prestige."

A research and development institute for social technology must have considerable program authority and

<sup>&</sup>lt;sup>1</sup> Behavioral and Social Sciences Survey Committee, The Behavioral and Social Sciences Outlook and Needs, Prentice Hall, 1969.

autonomy from direct control by either federal or provincial governments and freedom from the appearance of direct federal intervention into areas of provincial jurisdiction. Furthermore, because of the experimental nature of the program, it is essential that the institute have the administrative authority to assume responsibility for its activities. For these reasons a corporation, set up under provincial societies legislation with a board of directors, jointly appointed by the federal and provincial governments, would appear to be the most suitable form of organization.

The responsibility for education, welfare and other social services falls within provincial jurisdiction. Yet major new initiatives in these areas have been undertaken as a result of federal incentives. The so-called havenot provinces do not have the resources to invest in research and development, in fact, they do not have the resources to extend present services they know are required. Furthermore, the problems are more regional than provincial and uncoordinated provincial activity could be wasteful.

Funds for anti-poverty programs stem from the federal Treasury. In a real sense the government of Canada is the financier of the war on poverty. As such, it is appropriate for the federal government to involve itself in research and development of social technologies. The formula which was worked out for the NewStart program seems admirably suited for this situation. In the case of the NewStart program, the NewStart Corporations were given power "to execute on an experimental basis solutions to employment problems by the recruitment of

trainees, their motivation, counselling, training, placement, welfare and related matters". These activities largely are within provincial jurisdictions, but the need for new approaches and methods, and the financing of operating programs is largely federal, (Canada Assistance Plan, Canada Manpower Training Program, etc.) Therefore, the resolution of this paradox by the formation of federal-provincial corporations fully funded by Ottawa, but jointly directed, has been a most satisfactory arrangement and is proposed for future research and development institutes for social technology.

#### Chapter IV-Conclusion

Poverty is a serious and complex problem. Furthermore, the nature of the problem changes in different parts of Canada such as the northern prairies, the city slum, the maritime rural slums. The alleviation of poverty, therefore, requires several new multi-faceted and integrated solutions. At the present time we do not know how to use our knowledge of human development and social change in adequate programmatic ways. It is essential that we put such scientific information to practical use rather than rely on the traditional but unsuccessful methods generally in use today. To make this bridge between knowledge and practice requires the formation of social research and development institutes with sufficient freedom to experiment and breadth of terms of reference to be comprehensive in solutions developed.

The NewStart Corporations, established by the federal and provincial governments, serve as an appropriate organization model for the social research and development institutes.

# Appendix B

The Voice of the Poor

Ι

The Problems of the Poor as We See Them

- 1. Considering that our governments say they are in favor of participation by the people and require it in the 20th century, and there is a federal-provincial agreement that requests the participation of the people, would the governments please listen to the voice of those same people regarding a region's socio-economic factor, on which is based this same participation, free and not controlled, since state control has no reason to exist in the 20th century if we live in this free country of Canada. Let the people act freely in asking for their rights as citizens.
- 2. In these times the rich are getting richer at the expense of the poor and the situation is becoming very critical since you cannot increase the production of a country by trying to destroy the poor since both groups are needed to increase a country's production; that means let the poor live and the rich will become richer.
- 3. We of the poor sector request that you give special attention to this brief which is the voice of the poor, of those who are the object of derision and dehumanization; shoved into the mire and kept there by the elite, i.e. unemployment, low wages, social assistance and a lack of education or skill in any trade. That is why we ask you to take under consideration the few figures and proposals that follow.
- 4. In our locality, Tracadie, there has for a long time been a large gap between the ruling class and the poor class. Some of these rulers or organizations or arrangements are disorganizing and exploiting our people and especially our poor people; these poor people are kept apart and even intimidated and find no work or very little, and that very little at ridiculous wages. A woodcuter works 12 hours at \$1.25 and makes a minimum guaranteed wage of \$12.50 a day. (Here we could perhaps describe the wages).
- 5. This 25 per cent who are the elite hold down the 75 per cent who are poor by paying them only a few crumbs to keep them quiet and prevent them from demanding their rights and they (the elite) refuse to work with them (the poor) and often even snatch away the little bit they have left to live on, through the rise in consumer prices. Another social resource that is taken away from them is one like social animation, a resource that is necessary for the promotion of the social and economic advancement of these rejects.
- 6. These are suggestions that we are sending to every organization and authority which has to see to the division of the National cake. We hope this cake can be shared so as to correct the economy of our cities, towns and villages, especially those that are the most neglected and to share equally and fairly (true justice). The people in the Northeast are fed up with bandaid-type help. They want real, true help, beginning with a clear view of the present state of things and an attempt to improve the situation of the poor. Does a rich country like Canada

have to allow people to live in a situation like that of the people in Africa, an area that here in Canada is taken as an example of poverty? Let us not deliberately create an Africa within a Canada rich in resources. Let's think about it carefully, for us people who claim to be educated, but who sometimes don't have any education.

II

Suggested solutions

- 1. To live and not just exist.
- 2. To be free to live where we want.
- 3. Habitable dwellings.
- 4. The right to go where we want to go under the laws and not turn the car in another direction, and not be kept out of a community.
- 5. A wage that will allow a worker to live and not just exist.
- 6. As much as possible, prevent companies from raising the prices of their goods every time we get an increase of a few cents.
- 7. Let woodcutters be paid a good enough price per cord so that they can keep up with the cost of living and live comfortably with their families.
- 8. If there is a re-adjustment of social assistance, let our dear companies stop exploiting us poor people by raising the prices of food and lodging, since the more you raise the purchasing power the higher they are going to raise their prices and the poor will always be in the same poverty situation.
- 9. Let the governments upgrade their departments and have investigations made into the administration of social assistance and welfare and housing by persons who are truly responsible and conscientious in their work, which is on behalf of all the people, and let the departments comply with the requirements of these duly-made investigations in order to bring to light the deplorable condition in which the poor live. Some poor people should participate in such investigations along with the experts.
- 10. Let our governments give to the poor the same rights as the middle class has so as to create a climate of understanding between the people and senior public servants, elected members and ministers, since some of these people do not really understand why there is so much poverty and who the real poor people are, and for this reason belittle them (the poor) and subject them to lamentable social and economic injustices. An example is the refusal to give funds to the Cran, to allow social animation and the participation of these same people (the poor) in order to seek out the required means for improving the rights of the people.
- 11. Let the governments establish agencies free of all politics and beyond any personal interest in order to give leadership to the poor and make them aware of their own problems and look for solutions to these same problems so they can acquire an equal voice in law and in fact to that of the elite, in order to be able to work more effectively with ministers, public servants and govern-

ments and let the governments listen to the voice of the poor that Cran is making heard and backing up.

- 12. For those who are healthy and can work as laborers but are too old to begin stitting on school benches, let their wages be increased because of the living conditions of their families and if that is not enough let welfare make up what is missing for them to suitably support their families and arrange for them to be able to have their children educated if they do not want to increase the ranks of the poor and create a new generation of poverty.
- 13. In northeastern New Brunswick (Tracadie) the amount of social assistance for a family of eight is \$245.60 per month when this amount should be \$303.50 so as to compare with a family of six persons, which gets \$235.60.
- 14. For those who work and make less than \$4,000 a year for a family of six, let the extra amount they are lacking be given them as social assistance so as to correct the lack of enough money to live adequately according to the present cost of living and the poverty line of the Economic Council of Canada, which is \$4,000.00 for a family of six.
- 15. Direct the young to trades that will be useful to them all their lives, and not to trades that are about to disappear. Generate jobs adapted to their trades in order to hire the young people coming out of colleges and

universities so that they will not go into exile somewhere and enrich the other provinces to the detriment of our own province of New Brunswick.

- 16. So many poor people want to have woodlots in order to grow Christmans trees and are deprived of them, while at any given time so many woodlots are unused and remain empty. Why not give them to the poor who would like to cultivate them?
- 17. Let those on social assistance who could find parttime work be able to accept it without losing their right to social assistance allowances.
- 18. Since New Brunswick is far from the centers of production (the central provinces), northeastern New Brunswick is one of the places where the cost of living is the highest in the country.
- 19. How is it that social assistance allowances are lower here than in Ontario and particularly even less than a certain western province?

TTT

#### Conclusion

We are convinced that with the co-operation of all levels of government, with the people and the benefits of social animation (the only school within reach and which the provincial government is at present refusing us), all of us together would be able to look for and discover effective remedies for our social and economic problems.





Third Session—Twenty-eighth Parliament
1970

# THE SENATE OF CANADA

PROCEEDINGS OF THE SPECIAL SENATE COMMITTEE ON

# POVERTY

The Honourable DAVID A. CROLL, Chairman

No. 7

THURSDAY, OCTOBER 29, 1970

# MEMBERS OF THE SPECIAL SENATE COMMITTEE ON POVERTY

The Honourable David A. Croll, Chairman

The Honourable Senators:

Bélisle Hastings Carter Inman Connolly (Halifax North) Lefrançois

Cook MacDonald (Queens)

Croll McGrand
Eudes Pearson
Everett Quart
Fergusson Roebuck
Fournier (MadawaskaRestigouche, Deputy (18 Members)

Chairman)
(Quorum 6)

# Orders of Reference

Extract from the Minutes of the Proceedings of the Senate, Thursday, October 8, 1970:

With leave of the Senate, The Honourable Senator Croll moved, seconded by the Honourable Senator Fergusson:

That a Special Committee of the Senate be appointed to investigate and report upon all aspects of poverty in Canada, whether urban, rural, regional or otherwise, to define and elucidate the problem of poverty in Canada, and to recommend appropriate action to ensure the establishment of a more effective structure of remedial measures:

That the Committee have power to engage the services of such counsel, staff and technical advisors as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, and to report from time to time;

That the Committee be authorized to print such papers and evidence from day to day as may be ordered by the Committee, to adjourn from place to place, and notwithstanding Rule 76 (4), to sit during sittings and adjournments of the Senate;

That the evidence taken on the subject during the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Bélisle, Carter, Connolly (Halifax North), Cook, Croll, Eudes, Everett, Fergusson, Fournier (Madawaska-Restigouche), Hastings, Inman, Lefrançois, MacDonald (Queens), McGrand, Pearson, Quart. Roebuck and Sparrow.

After debate, and—
The question being put on the motion, it was—
Resolved in the affirmative.

ROBERT FORTIER, Clerk of the Senate.

# Minutes of Proceedings

Thursday, October 29, 1970 Ottawa, Ontario.

Pursuant to adjournment and notice the Special Senate Committee on Poverty met this day at 9.00 a.m.

Present: The Honourable Senators: Croll (Chairman), Carter, Everett, Fergusson, Fournier (Madawaska-Restigouche), Hastings, Inman, McGrand, Pearson (9).

In attendance: Mr. Frederick J. Joyce, Director.

The following witnesses were heard:

Canadian Research Committee on Taxation:

Mr. John Fergusson, Director;

Mr. B. Sevack, President;

Mr. H. Payne, Director.

Bell Canada:

Mr. Hugh Michael Kunkel, General Supervisor;

Mr. William Montague Draper, Plant Supervisor;

Mr. Claude St-Onge, Assistant to Vice-President.

(Biographical notes on the above witnesses are printed immediately, following these proceedings.)

Briefs submitted by the Canadian Research Committee on Taxation and Bell Canada were ordered to be printed as appendices "A" and "B" respectively.

At 11.50 a.m. the Committee adjourned until Tuesday, November 3, 1970 at 9.00 a.m.

ATTEST:

Georges A. Coderre, Clerk of the Committee.

# Biographical Notes

Hugh Michael Kunkel. H. M. Kunkel is General Supervisor—Materiel & Administrative Services Systems at Bell Canada headquarters in Montreal.

He was born on December 25, 1934 in Sudbury, Ontario where he received his early education. He later studied at North Bay College, North Bay, Ontario and completed a series of managerial and technical courses at McGill and Sir George Williams Universities in Montreal. Mr. Kunkel recently attended Williams College in Williamstown, Mass., U.S.A., where he participated in the American Studies for Executives program.

Mr. Kunkel joined Bell Canada in the Construction department in North Bay, Ontario in 1953. After a series of assignments in various Northern Ontario centres, he was transferred to the headquarters Accounting department in Montreal in 1961. He held several management positions in that department prior to joining the Business Information Systems department in 1966, where he was successively responsible for Company current planning and design and computer standards and equipment.

In October, 1968 Mr. Kunkel was named General Supervisor—Supplies with the headquarters Buildings, Vehicles & Supplies department and assumed his present position as General Supervisor—Materiel & Administrative Services Systems in April, 1969.

Mr. Kunkel has been actively involved in the field of education for several years. He acted as advisor to Ryerson Institute of Toronto when they established their data processing curriculum in 1966-67 and performed the same function during that period for the Montreal School Board's secondary school data processing curriculum.

He was also an advisor to the Quebec government on the CEGEP program in 1967-68, and has been a member of the Commerce Faculty of Sir George Williams University in Montreal since 1966, lecturing on business mathematics and business systems and acting as an advisor on their Quantitative Methods program. He was administrator of the inmate rehabilitation program at the Leclerc Penal Institute in 1968-69 and acted as an advisor on the same program in 1969-70.

Mr. Kunkel has been associated with the Data Processing Management Association since 1965, when he was Chairman of the Executive Seminar program. In successive years he has served the Association as Secretary-Treasurer; Vice-President—Program; Executive Vice-President; President; and International Director of Education. He is currently Association Past-President.

Mr. Kunkel's other activities include several years as a management advisor to the Junior Achievement program and memberships in the Junior Chamber of Commerce and the Angell Bay Recreational Association.

William Montague Draper. W. M. Draper of Toronto is Plant Supervisor—Training for Bell Canada's Western Region. He was born June 12, 1927 in England and received his education there, specializing in radio operating, and graduated with a Class II license.

Mr. Draper joined Bell Canada in Toronto in March, 1947 and served in various capacities there prior to his being transferred to Montreal in 1958 as a management instructor. He returned to Toronto in December 1959 as a repair foreman and held a variety of management positions in the Toronto Area Plant department, relating to training and personnel activities.

In January, 1967, Mr. Draper returned to Montreal as Staff Supervisor—Plant Personnel and became Staff Supervisor—Plant Training in April, 1969. He returned to Toronto on September 8, 1970, when he became Plant Supervisor—Training for the Company's newly-created Western Region.

Mr. Draper was active in education while in Montreal, serving as Chairman of the Electrical Career Committee of the Protestant School Board of Greater Montreal; member of the Electrical Committee of the Department of Adult Education of the Montreal Catholic School Commission; and member of the advisory board of Windermere Public School in Beaconsfield Quebec.

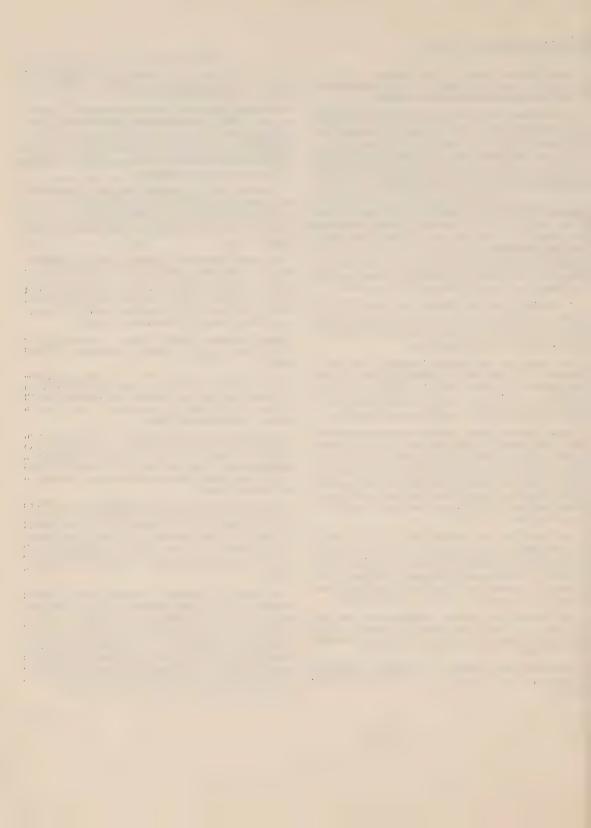
Claude St-Onge. Claude St-Onge is Assistant to the Vice-President in Bell Canada's Regulatory Matters department in Ottawa.

He was born on March 2, 1931 in Shawinigan, Quebec and received his early education there, graduating from the Shawinigan Technical Institute. He attended McGill University from which he graduated in 1957 with a Bachelor of Engineering degree.

Mr. St-Onge joined Bell Canada as an engineer in Trois-Rivières immediately after graduation, moving to Montreal in 1960. He became Supervising Engineer at Drummondville in 1962, and returned to Montreal in 1965 when he was named University Employment Manager in the Montreal Area.

He returned to the Engineering department in 1968 as Outside Plant Engineer for the Laurentian District of the Company's Eastern Area. In March, 1969, he was named Assistant to the Vice-President for Central Area, responsible for public relations activities. He assumed his present position as Assistant to the Vice-President in the Regulatory Matters department in Ottawa on March 3, 1970.

Mr. St-Onge is a director of Montfort Hospital, Ottawa; Chairman of the Services Committee of the Liberal Federation of Canada; a member of the Ottawa Board of Trade, the Cercle Universitaire d'Ottawa, and the Richelieu Club of Ottawa of which he is a past director. He is a former member of the Engineering Institute of Canada, the Quebec Corporation of Engineers—where he served as member of the committee on professional training, the Universities and Colleges Placement Association, and the Drummondville Chamber of Commerce.



# The Special Senate Committee on Poverty

# Evidence

Ottawa, Thursday, October 29, 1970

The Special Senate Committee on Poverty met this day at 9 a.m.

[Text]

Senator David A. Croll (Chairman) in the Chair.

The Chairman: We have here this morning the Canadian Research Committee on Taxation. On my right is Mr. John R. Ferguson who is the Consultant to the Canadian Research Committee on Taxation. He is a financial economic consultant in Ottawa operating under the name of J. R. Consultants Ltd., and he has a long and distinguished record in public service. He is accompanied by Mr. B. Sevack, President of the committee, of Tripar Stamping and Manufacturing Company in Montreal, and Mr. H. Payne, Secretary of the committee, of Hawker Siddeley Limited in Montreal.

Mr. Ferguson will introduce the brief.

Mr. John R. Ferguson, Financial Economic Consultant, Canadian Research Committee on Taxation: Honourable senators, very briefly, the Canadian Research Committee on Taxation is a non-profit, non-political organization. Its purpose is to study methods of taxation with a view to promoting constructive tax policies that will create employment and foster economic wellbeing. In other words, the people in this organization are not there just because they love the subject of taxes, but because they feel the tax structure is extremely important in the manipulation of the economy and in whether or not we will have economic wellbeing.

The committee believes that poverty is the result of economic problems that men create themselves unintentionally. The tax structure is one of the means by which they create their own problems. The tax structure can be used to discourage enterprising efforts, or it can be used to encourage enterprising efforts and initiatives. The organization we belong to does not believe that poverty can be tackled adequately merely by seeking to alleviate poverty wherever it exists without also looking at the overall economic picture to see what can be done about creating greater economic growth and a better distribution of wealth.

The committee was dismayed that the Carter Commission and the Government neglected to look at any philosophy of taxation other than the ability-to-pay philosophy or approach to taxation. There are two approaches to taxation, and the Carter Commission discussed them. One is the ability-to-pay approach, the other is the benefits approach.

The ability-to-pay approach is related very closely to redistribution of incomes. It disregards property rights after you get to a certain level of redistribution of income, where you are confiscating property. Man's efforts are being channelled in the wrong direction through this type of taxation. A great many men spend their time trying, not to find ways and means of producing more wealth, but to find ways and means of reducing their tax liabilities. It requires an army of tax collectors. There is built-in inflationary impact. It results in the deterioration of the financial markets through which funds and economic resources should be allocated through market forces.

The Benefits approach to taxation, on the other hand, spreads the tax load to those who benefit from government services, but in some relationship to the benefits received. The government supports the cost benefits approach in its own government operations; it is presently applying principles set down by the Glassco Commission to try to bring about a better allocation of resources within government departments based on the cost benefits approach.

Unfortunately, the Carter Commission dismissed the benefits approach almost without discussion. We would like to suggest that there are different benefits approaches to taxation, and we do not suggest anything other than these be studied by the Government at some point before too much progress is made in changing the tax structure in the way the White Paper presently proposes.

One benefits approach to taxation that would be useful would be to have only a very low tax, such as 5 per cent, which would be related to the cost of value added—the total cost of a corporation, excluding the costs of goods and services bought from other companies. This would be in lieu of a profits tax on corporations, which is an insidious tax and which has been criticized by many people in the past with a great deal of effort being spent to attempt to reduce taxes. You can only do this through understating profits and overstating costs.

A great deal of work has been done to come up with an alternative means of taxing. If one were to add 5 per cent of this cost value added this would produce considerably more revenues for the Government from the corporations, but few of those revenues would come from the efficient companies, but the marginal and inefficient companies or bring about an incentive for companies to reduce cost and became more profitable. It would also result in companies being more realistic than they are.

One could say a great deal about this subject, because it has many implications for financial markets. Another form of benefits doctrine of taxation would be a personal income tax that would not be progressive. In other words, you would be taxed at a flat rate. I think Dr. Kenneth Eaton proposed something like a 17 or 18 per cent tax—a flat rate. After you had paid your taxes you would contribute your share of cost of Government services and there would be incentive to continue to pro-

duce because you would have a fair proportion of what you produced left over.

Another form of benefits taxation and one that is related to municipal taxes has to do with the taxing of property. It is well known that municipalities refer to tax improvements rather than land values and this discourages people from making improvements but encourages some people to hold slum properties and land unused for speculative purposes. We believe that the movement which has been going on for many years to promote an interest in land value taxation would be better promoted through describing this as just one form of benefits tax. The committee believes that this form of taxation would be designed to produce revenues for the Government services rather than being used to redistribute income in such a way as to give the Government more control over economic activity. The redistribution of income tax at a certain point results in diminishing returns, a deterioration of financial markets, more power in the hands of Government people who, no matter how well intentioned and how competent, cannot hope to make the decisions that many thousands of people would make in the market place.

Very briefly, Senator Croll, this is our approach and we do not expect that there will be any changes made because of our submission. We only hope that there might be an attempt to get the Government to make a study of the benefits approach to taxation that they neglected to study by producing the White Paper Proposals for Tax Reform and which the Carter Commission itself neglected to study sufficiently.

The Chairman: Did you make representations before either the Senate or the House of Commons Banking, Trade and Commerce Committee when they studied the White Paper?

Mr. Ferguson: Our group did make submissions but only to the House of Commons committee.

The Chairman: You neglected us?

Mr. Ferguson: We regret that now.

The Chairman: Will you take a few minutes before we start questioning and explain a few things which I do not understand. I assume some of the other senators might not understand. Please point out the benefits of the benefits approach and take a minute or so on the flat rate. I do not understand the benefits approach myself so I cannot discuss it until I hear you. If I recall correctly, and you can elaborate on it, Mr. Eaton suggested that regardless of whether a man had \$1 million of \$2,400 he would pay the same tax rate of 20 per cent. Do you defend that before the committee?

Mr. Ferguson: Yes, as far as the personal income tax is concerned the progressive nature of the personal income tax and the fact that exemptions have been changed very infrequently has resulted in the personal income tax being leaned upon very heavily by the Government. Twenty years ago the most important source of revenues

for the Government was corporation taxes. This has become a poor secondary source. Revenues from persons have gone up very considerably. This has reduced the final market for goods and services and also reduced the situation of the markets and affecting the economies that can come about through scale of operations. It is very difficult to measure the benefits that an individual gets from the Government, but there is something to be said for considering that a man's income may be some fair and reasonable measure of the benefits he receives. A person earning \$20,000 probably has had an education in a university and he makes many more uses of Government services than the labourer who has no interest in anything except just working during the day and spending the evening in a tavern. That is all right if he wants to do that, but he is making use of fewer of the Government services.

We feel there is some relationship between a man's income and the use he makes of Government services, therefore, if you had a flat rate of taxation you would increase the tax revenues from people whose incomes are greater, but you would not increase the manner of progressive rates. The progressive rate of taxation goes beyond levying taxes on people to some relationship to the services they receive from the Government. It becomes confiscatory and it violates the property rights. Men fought many thousands of years for property rights. The name of justice, equity and fairness. It seems to us an ability to pay taxation contravenes those rights and also in the name of fairness, equity and justice, which we think this is a misuse of those names. This is our approach on the personal income tax, Senator Croll.

The benefits doctrine tax for corporations looks upon taxes as one of the costs of a business operation. There are whole departments that do nothing but help to create the conditions that businesses can operate under-trade and commerce and industry and even the Bank of Canada, et cetera. A fair way to allocate those costs and the same way a very large multi-plant corporation will allocate costs is in relation to the value added by those corporations. If one corporation creates a value added of \$1 million and pays 5 per cent on that then he is paying his share of the Government services in relation to the size of his operation. The reason for taxing costs-the cost of value added, rather than value added in terms of sales income, is that by doing so you leave profits free of taxation. If you tax profits they become less important as an incentive for production. In fact, most industries, because of the fact that they have a profits tax, tend to understate profits. There are very few industries which attempt to overstate profits. There is always a reason for overstating profits. You are very dependent on financial markets and you have to show good evidence to float your issues. Generally there are good reasons for overstating profits. Under the generally accepted accounting procedures you can do these things, but we feel a tax based on cost would result in more honest tax accounting. One might say that it is not a good way of framing it. There would be no incentive to overstate costs if you were taxing on the basis of costs. If you want to reduce anything, tax it, but if you put a tax on trees they would

disappear. If you want to reduce costs in an economy such as ours you apply the tax to costs. This would have an effect of reducing the costs.

On top of that we do know that most taxes are paid by the most efficient corporations. We tax efficiency and subsidize inefficient companies by providing them with Government services for which they pay nothing if they make no profits.

Senator Carter: This tax on benefits, when you tax corporations, is in proportion to the benefits they get from the Government. How would you prevent that from being passed on to the consumer?

Mr. Ferguson: All costs of production are passed on to the consumer. You would do away with the controversy about the incidents of taxation. You would accept the fact that all costs are passed on to the consumer. If you cannot sell at a profit or a price that would absorb those costs it might not be an economical product. The interesting thing is if the taxes were more equitably spread over all the business enterprises, the most efficient companies that produce most of the profit would be taxed less than today. There would be less of these taxes getting into the prices of our products. We believe the ability to pay taxes on corporations is inflationary.

Senator Carter: You would have to have a rate that would yield enough revenue to meet Government needs.

Mr. Ferguson: Yes.

Senator Carter: And expanding services.

Mr. Ferguson: Yes, I did a study several years ago that indicated that a 5 per cent tax based on the cost of value added for Canadian businesses would bring in to the Government 50 per cent more revenues but in a way that would hurt more efficient companies less because of the 5 per cent tax on the cost of value added.

Senator Carter: Added to what?

Mr. Ferguson: All private businesses, even corporatives, might pay this tax because there are many co-operatives, benefit co-operatives, that are very important, that they need not be further subsidized by getting free Government services, branch plants of subsidiaries. Most businesses understand that they pay municipal taxes whether they make a profit or not. Why should they not also pay federal government taxes for services received?

Mr. B. Sevack, President, Canadian Research Committee on Taxation: May I add something? Under the corporations profits tax there are may large corporations that do not pay any tax or very little corporations tax. They are subsidiaries of American companies with branch plant operations, who find it more to their advantage to pay their taxes in their parent country, usually the United States, because maybe the corporation tax is lower there. They will make sure that the balance sheetshows a nil profit in Canada. These corporations therefore have a free ride in Canada. They are doing business, they have the privilege of doing business, using Govern-

ment services, as Mr. Ferguson said, and they paid nothing towards this. A resource industry can do the same thing. A resource extracting industry whose parent is in, say, the United States, is taking the resources out and all they are interested in is these resources, and if it is beneficial for them to pay tax in their own country, they do not show any profit. It is very easy for them not to show a profit.

Senator Fournier: How easy is it?

Mr. Sevack: How easy? What they charge for their services—there is no measure.

The Chairman: Oh, yes.

Mr. Sevack: And royalties.

The Chairman: You must be a little careful. The federal income tax authorities examine carefully the charges made by head office—the United States head office particulally, perhaps, others too—both as to royalties and as to money for services. They make an allowance, what they consider to be a reasonable one. I do not say that it is good or bad. We came across that in our Consumer investigation of food prices, when we dealt with American subsidiaries.

Mr. Sevack: When the purposes of the corporation in Canada are to extract the raw materials, shall we say, and not to make a profit in Canada, when the purpose is to make a profit for the parent in the United States, it does encourage inefficiency.

Senator Everett: Could you give us an example of such an occurrence?

Mr. Sevack: No, but I do know that there are many branch plant operations that do not make any profit.

**Senator Everett:** We are talking about the extractive industries?

Mr. Sevack: The extractive industries—I am not so familiar with them exactly.

Senator Everett: You are privileged here, in this committee.

Mr. Sevack: Yes.

Senator Everett: I am just wondering. I cannot think offhand of a situation. I am inclined to think of the oil companies. They are American owned but they are Canadian oriented. They are extractive industries. I think of mining industries, of mining companies and cast my mind over Noranda, International Nickel, Falconbridge, McIntyre Porcupine. I am afraid I cannot think of any case. I would like a case that would buttress your point.

Mr. Ferguson: I would like to suggest that most of the tax concessions are legal tax concessions, that the capital cost allowances itself costs the Government many billions of dollars of revenues.

Senator Everett: That is available to all. What you are suggesting here is that these companies are draining

profits out to the United States by some accounting manipulation.

Mr. Sevack: No. no, I did not mean to say that.

Mr. Ferguson: I think the important thing is that the companies that get the most use out of capital cost allowances are the natural resource companies that are very high in fixed assets in relation to total assets.

Senator Carter: Would you do away with tax incentive?

Mr. Ferguson: There is a different kind of tax incentive. The tax incentive that we refer to today, in Government operations, is not a tax incentive, it is a removal of what might have been a tax disincentive. We think that a proper allocation of tax in relation to benefits received would be the best possible form of tax incentive. For instance, we know that there are many companies that have paid no taxes since they came into existence. Trans-Canada Pipeline has made perhaps \$80 million in profits, and has paid out perhaps half of that in dividends, but they have never paid a cent in taxes, to the federal Government, mainly through the concession allowed by the Government in capital cost allowances.

Mr. Sevack: And Algoma Steel Corporation made \$26 million profit last year and did not pay one penny in corporate income taxes. That is the use of the depletion allowances and capital cost allowances.

Mr. Ferguson: I would not like to get in trouble with these companies. They are just making use of concessions that the Government permits.

Mr. Sevack: That is quite legal.

Mr. Ferguson: The capital cost allowances was a very useful tool back around 1948-49. It helped the steel industries particularly to finance an expansion program on the financial markets where it was extremely difficult. But somehow economists rationalized this technique and it has become a permanent part of our system.

Senator Carter: Is it not a fact that they do not pay taxes? I agree you have got a point when they pay taxes, they pay dividends, but when they pay dividends, the people who get the dividends pay taxes on the dividends they get. But in lieu of taxes, do not they do this for capital formation?

Mr. Ferguson: This is assuming that the same corporations would not go ahead and expand through the obtaining of funds in the financial markets, through the sale of bonds and debentures, preferred shares and so on. If they are profitable enterprises they would probably make use of the financial markets and the largest companies have the best credit ratings, they are in the best possible position for finance in the capital markets.

Senator Carter: There is a world shortage of capital today.

Mr. Ferguson: I realize that. One of the reasons why we are short of capital in this country is that the Gov-

ernment has been ever dependent on personal incomes, and personal savings have been reduced abnormally. This has affected the amount of capital that we have had available for enterprises. This is something that Mr. Jim Coyne used to talk about some years ago, and Mr. Eric Kierans when he was president of the Stock Exchange.

Senator Carter: I have two more questions. On personal taxation, you say a flat rate would be a fair tax on ability to pay. I think there is something to be said for that. A person pays 5 per cent and if a fellow got \$1,000 he pays 5 per cent on the thousand and the man who got a million pays 5 per cent on the million. That is fair enough. But let us come back to the days when there was no income tax at all. Were these days better? Were the companies better off then?

Mr. Ferguson: We believe that persons obtain many more benefits from the Government today than they did many years ago and perhaps it is legitimate to tax them.

Senator Carter: I am talking about income tax—personal income tax, now.

Mr. Ferguson: Yes. If one were to tax persons, perhaps not at the 5 per cent rate but at a 20 per cent rate or something like this—if you made an extra dollar through extra efforts, if 20 per cent of it went to the Government there would not be the same discouragement that there is if 50 per cent or more than 50 per cent goes to the Government. A friend of mine writes articles and feels that if he gets \$200 for an article he did all the work but the Government gets half the money.

Senator Carter: I do not dispute the strength of your argument on that. I think that there is a point somewhere. But I want to come back to the other point that you make, that is you had this lower rate of taxation there would be more money in circulation, more goods on the market, more trade and there would be a boom. But do we not achieve that today through exemptions?

Mr. Ferguson: No, not really. Personal income taxes had to be used as a source of revenues in default of the effectiveness of the corporate tax for one thing. It has been very ineffective mainly through various kinds of tax concessions and the fact that accountants, under generally accepted practice, keep their profits fairly low. I am amazed at how many of my friends, who are businessmen, spend a great deal of their time not attempting to increase their productivity but trying to reduce their taxes to a bare minimum. They feel they must do this. But we feel that what the "ability to pay" approach to taxation does is it creates the wrong kind of incentive. Instead of providing an incentive to produce more, knowing you are going to retain a great part of what you produce, it creates a great incentive to try to reduce your tax liabilities. Many corporations have tax consultants who are very highly paid and who do nothing but try to reduce tax liabilities.

The Chairman: After you get beyond the tax consultants, who, after all, know the law and would not countenance avoiding the law, is there any other way than efficiency to cut the cost?

Mr. Ferguson: Well, if you have to lean on the personal incomes for most of your Government revenues, you are reducing the total size of your market. It is often said that Canada is too small a country in terms of its population. We need more people in order to increase the size of the market in order to produce more economically. You can increase the size of the market by leaving more of the income produced in the hands of the consumer so he has more to spend. This, in the long run, would be more useful in terms of over-all spending power, over-all economic activity, lower costs and so on. Alsi is would mean that there would be a higher level of personal savings and more efficient financial markets. Financial markets have been deteriorating for many years.

The Government proposes now that savings be even more channelled towards Government sources and away from persons, which would further deteriorate financial markets.

Senator Carter: Where do you get the idea that there would be more personal savings? Our credit is going up in an astronomical fashion.

Mr. Ferguson: Our consumer credit, yes, and that has been a very useful tool for people to help them buy things which they have to pay for over the period of time they are using them. It used to be that the things you would buy you could buy out of your weekly pay because it was mainly foodstuffs and so on. But so far as houses and automobiles and things of that nature are concerned, the only way in which you can pay for them while you are using them is to make use of credit. So it is a very useful tool. Moreover, it has also enabled people to save through pension plans and in other ways.

Senator Carter: Do you think that if you put more money into the taxpayer's pocket by less taxation that the taxpayer would not spend that extra money but rather would save it?

Mr. Ferguson: I believe the taxpayers would spend part of it, but if they saved in the same proportion as they do now, there would be, over-all, a higher amount of aggregate savings.

Senator Carter: You cannot have it both ways. Your first argument is that if the taxpayers had more money they would spend it and the economy would boom; but then your second argument is that if the taxpayers had more money they would save it.

Mr. Ferguson: I say they would do both. If my income went up by \$1,000, I might spend 93 per cent of it and save only 7 per cent of it, but my savings would go up just as my spending would go up. In fact, in 1962 the United States reduced personal income taxes by a considerable amount and it had the effect of giving quite a boost to their economy.

Senator Carter: Could you give us the figures you mentioned earlier, when you mentioned a 5 per cent value added tax bringing in more revenue?

Mr. Ferguson: I do not have the figures in my mind right now, but I used the Government's tax figures. I

wrote a paper on this that was first read by Mr. Rasminsky, the Governor of the Bank of Canada. He sent it to the Department of Finance. I think it is on a shelf there still. My calculations arrived at the point that the Government could raise 50 per cent more revenues from corporations if the Government taxed the cost of value added of all business enterprises at 5 per cent. This is a very low rate of taxation. If anyone is taxed at 5 per cent, there is no incentive to play around in order to avoid taxation. There is every incentive to get business moving—perhaps I am going too far.

The Chairman: Is the paper which you sent to Governor Rasminsky still available?

# Mr. Ferguson: Yes.

The Chairman: If you send it to the Chairman of this committee, he will see that it gets around to the members of the committee so that they will have the opportunity to read it.

Senator Fournier: Mr. Chairman, this morning we have a very interesting but rather complicated brief. I am inclined to believe that it is in the wrong camp. We are not actually the body that should have received this brief. So far as taxes are concerned, the purpose of this committee is, bacically, to see just how poor people are affected by taxes. We are mostly interested in seeing how we can reduce the taxes of the poor people, the people who have not the ability to pay taxes.

# Mr. Ferguson: Yes, sir.

Senator Fournier: However, to make a long story short, do I understand the intention of your brief is to try to reduce taxes here and there by better rearrangement and so on? I do not disagree with that.

Mr. Ferguson: Yes.

Senator Fournier: In general.

Mr. Ferguson: In the interests of a higher level in the economy.

Senator Fournier: The Government needs X millions or X billions of dollars to run the country. With the arrangement that you suggest now, would the Government have more money or less money?

Mr. Ferguson: More.

Senator Fournier: More money?

Mr. Ferguson: Yes, the Government would have more money because, if you can raise taxes in a more equitable way and charge people for the benefits they receive in some decent relationship to the amount of benefits received, there will be less discouragement or there will be greater encouragement for people to use their initiatives and enterprising abilities so that there will be a higher level of economic activity. We feel this is most important in combatting poverty. Many of our problems in poverty are created by mismanagement of the economy, which results in regional disparities and so on and results in more Government activity, and therefore great-

er cost, in order to help resolve those disparities. It is a never-ending cycle that goes on and on without tackling the basic causes of a lower level of economic activity than we might have.

The Chairman: You have set that out in your paper?

Mr. Ferguson: Yes.

The Chairman: Senator Fournier, I will see that you get a copy of that as soon as Mr. Ferguson gives me a copy.

Senator Fournier: I find that answer very interesting, Mr. Ferguson. We must admit that there is something wrong with the system as we have it now.

Mr. Ferguson: We have no intention of trying to convince you of our ideas. We just suggest that there has been neglect on the part of the Carter Commission and the Government to study a benefits system of taxation, which is a free enterprise approach to taxation. We feel the ability-to-pay approach is a socialistic doctrine which mainly intends to redistribute incomes.

The Chairman: Well...

Mr. Ferguson: I am going too far, perhaps.

The Chairman: As you were speaking I could see the great "socialistic state" of the United States doing the sort of tax system that you do not approve of. I could not quite appreciate the fact that it was socialist.

Mr. Ferguson: One of the eminent tax consultants in the United States is Professor D. Smith. In a talk to the Tax Foundation two years ago he suggested these very same ideas of value added tax for corporations and a less progressive tax for persons.

The Chairman: We will not get into that at this time.

Senator McGrand: Mr. Ferguson, you referred to the increase of income tax and the damage it did to purchasing power. I think that is what you had in mind. Now has this increase in the income tax reduced the purchasing power, or where has it hit the hardest, the low-income, middle-income or high-income groups?

Mr. Ferguson: I would say it affects the middle-income class considerably by reducing their incentive to produce and become more productive, and it also affects the low-income classes by bringing about economic conditions that result in a lack of opportunity to participate in economic activities through unemployment. We believe that a natural state of affairs should be almost full employment. As long as there are people who need goods and services, and as long as they have the purchasing power to make those needs effective, there is no need for a lower level of economic activity than you should have.

Senator Everett: I want to start by saying that I happen to be in favour of a value-added tax. I think you overplayed your hand by seeking perfection rather than some sort of compromise. That is my personal view of your presentation.

Mr. Ferguson: I would like to discuss it with you some time.

Senator Everett: I just want to deal now with a couple of points; you named the value-added tax, the land-value tax and the flat income tax, and you used a catch-all phrase called "the benefits approach". Now what I cannot see in using that term, and this may be a semantic difficulty, is how you can call it a benefits approach when in fact you cannot really relate benefits received to, say, a flat rate of income tax. There is no correlation surely between the benefits received and a flat rate of tax applicable to everybody.

Mr. Ferguson: Your taxes would still go up as your income went up, but not a progressive rates. I suggested earlier that there is no good relationship, but perhaps the best proportion you can come to is that the use that a man makes of government services can be in some relationship to his income. The man with a high income has probably made much greater use of transportation facilities, educational facilities and art facilities and so on than the man with a low income who lives a very narrow life. This was suggested in the Carter Report too, but only in a footnote.

Senator Everett: If you and I really thought about that statement, we would not agree with it. It really cannot be buttrested. The benefits received by people vary widely and are not in relation to the size of their income.

Mr. Ferguson: Well, you are quite right. As a matter of fact I worked for a large company where they had to allocate administration costs over all the mills they had. You cannot do it perfectly, but you do it the best way you know how. There is no perfect way of even allocating costs to all business corporations. I looked at many ways of allocating costs before I arrived at the idea of prorating the taxes over all corporations in relation to the cost of value added. And it is not perfect.

Senator Everett: Let us come back to a value-added tax. This is a tax that is imposed without discrimination on all consumer goods. Is there any way in which you can manipulate the value-added tax to give some relief to the low-income consumer?

Mr. Ferguson: Well, I consider the value-added tax as a tax on corporations. I know it is being used in Europe in the form of a sales tax and that is why I much prefer for taxes on corporations to be considered as one of the legitimate costs of production. Over in Europe because they consider this a sales tax they feel it is quite legitimate to remove that tax and the costs involved from export goods and this subsidizes exports, and they also add the tax to goods that are imported. I do not believe in that principle; I think if there are legitimate costs that government should be paid for by business corporations, that this should remain one of the costs of business enterprise. And you know, most business enterprises consider the taxes they pay as part of their costs and in their pricing policies they attempt to recover those costs.

Senator Everett: Surely that is one of the weaknesses in the present approach. Business corporations consider

the taxes they pay as part of the costs of the goods sold. It seems to me you might give thought in your value added to exemptions for crtain types of goods consumed by people who do not have the ability to pay for them.

Mr. Ferguson: We consider that a very low rate of taxation, say 5 per cent tax, would be suitable.

Senator Everett: On gross?

Mr. Ferguson: No. on cost.

Senator Everett: On gross cost?

Mr. Ferguson: No, on net cost. The cost of value added can be considerably lower than the same tax applied to total costs.

Senator Everett: But the concept of value-added tax as I undersetand it, is that it is imposed at every level of cost increase down to the end.

Mr. Ferguson: Yes. If the man who makes leather pays that tax, that tax is then not passed on to the man who makes the shoes.

Senator Everett: That means that the final cost of goods includes the total tax at all stages up to distribution.

Mr. Ferguson: Oh, yes. But it adds up to 5 per cent.

Senator Everett: Which is 5 per cent of the gross cost.

The Chairman: No, Senator Everett, they are saying something else really. Start all over again with an article for a dollar and then carry it through and see what they

Mr. Ferguson: I think I know what you mean. However the ability to pay tax today which tax hits efficient companies very heavily and puts a very high increase in your price in order to absorb it.

The Chairman: Just a moment; let us start with any article at \$5 at the beginning.

Senator Everett: To see what a value-added tax does. Paying a tax of 5 per cent, that portion of the cost of the goods is added at that stage and at each stage as it goes on, 5 per cent is added.

The Chairman: No, they say not.

Mr. Ferguson: The value is added by each person in the process of distribution and we feel this is a fair way of distributing it.

The Chairman: Each move on from the manufacturer to the wholesaler to the retailer to the consumer, 5 per cent keeps being added?

Mr. Ferguson: It is not cascaded.

Senator Everett: It is different from a sales tax in which a tax is imposed, and then there is a mark-up and the new man imposes a tax and you have what is called a cascading tax. But the point of a value-added tax is

that it is only imposed on the amount spent by that particular process or at that particular time so you do not have a cascading tax.

Senator Carter: Why don't you start with a dollar's worth of cowhide and then it is made into leather and eventually it is made into your shoes and see what happens in that process.

Mr. Ferguson: All right. If a man who makes shoes has put out \$1 million in a given year and finds that all the goods and services he has bought from other companies come to half a million dollars, he is able to show statements which indicate that he has put out half a million dollars for those other goods and services, and then he can deduct that from his total cost of \$1 million and he will end up paying a tax only on the half million dollars that represents the value that he has added himself. This tax seems to be pretty well accepted in Europe these days.

Senator Everett: The point I was trying to come to is that the tax based on ability to pay does give a remission in the cost of goods purchased by low-income people. That is its net effect. There is a remission of tax in the cost of goods sold. You are suggesting a value-added tax that gives no remission at all. That tax is imposed equally on the millionaire and the person living in poverty.

Mr. Sevack: Where is the remission? I do not follow

Senator Everett: Purely because the tax on the individual is based on an ability to pay and he, therefore, has a lower tax rate.

Mr. Sevack: But there is no remission on the goods that he buys.

The Chairman: Yes, there is, the exemptions.

Senator Everett: By virtue of the transfer of the corporations tax to the low-income individual.

Mr. Sevack: A refrigerator costs him \$200 regardless of whether he is on welfare or whether he happens to be earning \$20,000 a year. There is no remission.

Senator Everett: That is right, but there is a transfer of tax revenue to him. I do not see any transfer of revenue in your system.

Mr. Ferguson: The ability to pay tax, as it now stands, means that companies must recover their taxes, whenever they can, through increasing the prices of their products. So the prices of those products as they go up reduce the purchasing power of even the lowest income groups. It effects them very much.

Senator Everett: You are proposing the same thing in your value-added tax.

Mr. Ferguson: I think we should get together on this because...

Senator Everett: You see, under the present system the corporations tax, I agree with you, is passed on in the

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cost of goods sold, and that is imposed without discrimination. What the ability-to-pay concept does is reduce the tax on the income of the lower income person by transfer payment from the corporation and from the welfare, enabling him to have more funds to buy those goods which contain the tax element. But what you are suggesting is a value-added tax which imposes at least the same amount of tax on the cost of goods-and, as a matter of fact, you say 50 per cent more—so it would increase the tax element in the cost of living by 50 per cent; and you are saying that the low-income person will have that cost in the goods that he buys, as he does today, except it will be increased by 50 per cent, but you are not suggesting any remission to him at all. As a matter of fact, you are suggesting, on top of that, that instead of having a lower rate of tax, he will pay on his income a flat 20 per cent tax, whereas today, with exemptions, he is unlikely paying any. So what you are really doing in your concept—and I am talking from the point of view of being in favour of the value-added tax—is you are shifting the burden from the wealthy to the poor.

Mr. Ferguson: I do not agree with you.

Senator Everett: Let us follow it through one step further. Again, I say I am in favour of your concept, but you talk about the fact this will create greater efficiency in corporate operations. It seems to me that if you are imposing this value-added tax on the cost of goods, the people who will best be able to pay it will be the large multi-national corporations, and the small company will have a tax imposed on it which will have no relation to its profits or its profitability, and the result will be a tax which will tend to do away with small business and tend to create very large business. In other words, it is a tax in favour of the major Canadian corporations.

Mr. Ferguson: I would suggest, however, we have accomplished one of our purposes, and that is to interest you in the subject and not necessarily to sell you on it.

The Chairman: No, but Senator Everett starts out by saying that he agrees with your concept, and then when he asks the question he is not getting much of an answer.

Mr. Ferguson: I would be prepared to give an answer. It calls for looking at the dynamic economy that has a high rate of economic growth, where there is more employment and less poverty and less unemployment. This is where one has to look at the shifting of costs and so on.

Mr. H. Payne, Secretary, Canadian Research Committee on Taxation: May I comment, first of all, that there is no suggestion of taxes being increased by 50 per cent. What is claimed is that the total amount would be 50 per cent more. The most important part...

**Senator Everett:** That constitutes a 50 per cent increase in taxation.

Mr. Payne: No, no.

Mr. Ferguson: A 50 per cent increase in revenues, but lower taxes for some companies and increased taxes for others.

Senator Everett: You are talking about the corporations as a group?

Mr. Ferguson: Yes.

Senator Everett: All right. You are saying at the present time you derive a revenue of \$2 billion from corporations, from the ability-to-pay tax or the profits tax.

Mr. Payne: Not from everybody.

Senator Everett: But from the profits tax the total income from corporations is \$2 to \$2½ million. Then you say that we are going to impose a value-added tax of 5 per cent, and that will increase that \$2 billion to \$3 billion.

Mr. Ferguson: But there will be a more equitable distribution of those taxes.

Senator Everett: We do not disagree on the equitable distribution, but the total tax imposed on corporate income is increased by 50 per cent. Therefore, it follows that the tax element of goods sold is increased by 50 per cent.

Mr. Sevack: May I add something here, as a small businessman who pays, I think, more than a fair share of taxes, because we have no means of writing down our costs like some of the big corporations that have tax experts to work for them and take advantage of the large capital cost allowances, and so on. If we went to a net value-added cost tax we would pay less tax as a profitable corporation, but the result would be that we could lower our prices because of this net-value added tax being much smaller than the tax on the profits. We could be more competitive, not only in the domestic market, but we export to the United States, to a degree, and we could increase our exports to the United States and Britain. This would make us much more efficient. The result would be there would be more pressure on the inefficient companies to be more efficient, because we have lower costs, and the profitable and efficient corporations will lower their prices and there will be a greater incentive, than the imposition of a tax on costs, to reduce costs.

There are many businesses that start, and they may be in business for five years and go bankrupt and dissolve, and so on. These companies have not been profitable and have not paid a penny of tax during their existence but, as Mr. Ferguson said, they pay municipal taxes and other taxes—capital taxes in Quebec, and so on. These they have to pay. This is part of the cost of doing business. They would have to pay 5 per cent on the net value added as part of the cost of doing business. Regardless of whether they go bankrupt, the Government has had its share of the tax.

Senator Everett: And regardless of whether they are making a profit or not.

Poverty

Mr. Sevack: That is right, but we do not remit municipal tax because you do not make a profit.

Senator Everett: I suggest you will find the net effect of the way you propose to impose the value-added tax would be to increase the size of large corporations and decrease the number of small corporations.

I wonder if I could go on?

The Chairman: Yes, go ahead.

Senator Everett: You are talking about the terrible fact that the extractive industries have got away with paying no tax, or a reduced tax. Yet, as you know, in the submissions of the companies in the extractive industry before the two parliamentary committees considering the White Paper it was made clear that if the provisions of the White Paper, which contained more incentives than you are suggesting by a long shot, were implemented Canada would lose a great deal of exploration capital. This was so real to the Government that Mr. Benson brought in an amendment to the provisions of the White Paper in respect of mining companies. You are suggesting no incentives at all.

Mr. Sevack: The incentive is to allow them to keep as much of the profit as the market will allow.

Mr. Ferguson: You know yourself that the large natural resource companies are very much concerned about the profits tax. That is why the three year tax exemption period is so important. You have those three years for new mining projects, but then you save all of the costs you can for the years in which you can become profitable, and you may go eight or nine years without paying any profits tax. It is because of the fact that the profits tax is such a very high tax. It is not the total amount of dollars that companies pay that concerns them; it is how it is applied. It is the proportion of that last dollar of profit.

Senator Everett: Let me get this straight. You are not in favour then of any Government direction to industry investment by use of the tax legislation?

Mr. Ferguson: We did not say that. It would be possible even with a value added tax. It would be possible to defer taxes even with a value added tax.

Senator Everett: Are you suggesting this?

Mr. Ferguson: You could defer it for small companies and certain industries. You could aim this. You know that deferred taxes are interest-free loans. You could even charge a low rate of interest on them. It is quite possible. The Government would not be completely devoid of ways and means of allocating funds, but not to the degree they do today. There would be greater use of decisions in the market place.

Senator Everett: In other words, you could be discriminatory?

Mr. Ferguson: Yes, I pointed this out in the paper that I did on this value added business.

Senator Everett: But then we would be back to some sort of system based upon ability to pay?

Mr. Ferguson: Not necessarily.

Senator Everett: But that is one of the concepts in ability to pay.

Mr. Ferguson: It a large company borrows money from the Government today they can do so through the interest-free loan. They pay no interest at all, and there is no termination date. I think the Steel Company of Canada probably owes the Government in deferred taxes well over \$150 million. They pay no interest on that interest-free loan. If a small company went to the IDB it would have to pay perhaps ten per cent...

Mr. Sevack: 10.7 per cent.

Mr. Ferguson: ...and they would have to repay the loan in eight years.

Senator Everett: Yes, that is the situation that exists and it is very interesting, but you are prepared to be discriminatory?

The Chairman: They have said this.

Mr. Ferguson: One could do this.

Senator Everett: I have one last question. You say that taxes based upon ability to pay are inflationary.

Mr. Ferguson: Yes.

Senator Everett: What makes you think that value added taxes are not equally inflationary?

Mr. Ferguson: Because Government costs are spread more equitably over all of the product produced in the economy. What happens today is that you subsidize the most efficient companies and you subsidize those companies that are able to show no profit by some means or other through generally accepted accounting practices, but those companies that are most efficient have fewer ways of reducing their tax liabilities and they end up by paying more than their fair share of government services. Because they produce most of the goods in the economy they have got to recover those costs some way, and they add them to the price of their product. Professor Smith pointed this out in the United States in his talk to the Tax Foundation two years ago.

Senator Everett: I would love to agree with your efficiency argument and...

Mr. Ferguson: I think that we are in an awkward position here because we cannot possibly hope to sell anyone on these ideas, especially within a short period of time. All we are hoping is that we will arouse enough interest in the benefits approach to taxation that it be studied. We do not suggest it should be adopted. We suggest that studies be made of the benefits approach to taxation.

Senator Everett: In an economy such as ours I do not see how you can talk about the pure efficient use of resources. It just is not the fact. I think that your approach is a devil of a good approach, and I have no

criticism of your land value tax. The only thing is that I think instead of trying to put it in as a perfection you ought to take into account certain things like incentive, relief from costs to poor people, and what you can do for smaller businesses instead of killing them off. I think you ought to go back and have another look at your ideas.

Mr. Ferguson: I think it is impossible for you in such a short period of time to arrive at such firm judgments, and I think that if we could get together and talk about these things we might find that we are pretty much on the same wave length.

**Senator Carter:** I should like to ask a question about the last item on this list that Senator Everett has just enunciated. How would you make Canada competitive in the world capital markets?

Mr. Ferguson: Now you are in my field. I am a capital market man. I believe in the development of financial markets. If we could make better use of our financial resources in this country we would be less dependent upon financial resources from outside our country. We need a pattern of savings that is more closely related to the pattern of our demand for funds. We could talk about this for a good many hours, but we believe that the benefits approach to taxation would leave more savings in the hands of those who do save, and would result in more funds flowing into the financial markets, and more decisions being made as to the allocation of financial resources. Decisions made as to the allocation of financial resources also means that the same decisions are made towards the allocation of other economic resources. We think we could have lower costs and a more efficient use of all our economic resources.

Senator Carter: Do you mean to say that Canada under your system would be more attractive to capital; that instead of going to Australia or some other developed country capital would come to Canada?

Mr. Ferguson: We could make more efficient use of our own capital, and thereby be a little less dependent upon foreign capital, but to the extent that we also became more profitable in our operations we would have lower costs and thus we would become more competitive in our own markets, and in the international markets, and funds usually flow to where they can get the best profits.

**Senator Pearson:** At the bottom of page 7 of your brief you say:

The residents of any municipality, whether individuals or business enterprises, benefit from a multitude of services provided by the municipality.

You talk about the taxation of land values. Let us consider an area in a city where people own their own homes. If someone goes in there and puts up a high rise apartment building right in the middle then you say, according to the way I read this paragraph, that that apartment building would be taxed only on the land value, yet the owners of the building would receive a great deal of revenue from it. What happens to the other

residents who are not speculators but just home owners? Their properties depreciate in value because of the fact that there is a high rise apartment building amongst them.

Mr. Ferguson: The land value itself would go up enormously, and you would have the anomaly of a very modest use of very, very expensive land, which would not be an economic proposition.

Senator Pearson: They would have to sell out, then, at a loss?

Mr. Sevack: No, at a profit.

Mr. Ferguson: If the land has gone up considerably in value then they probably would make a good profit.

**Senator Pearson:** Yes, they might make a profit, but at the same time they have to go and build another home and thus lose their profit.

Mr. Ferguson: Yes, there would be dislocation, but on the other hand the benefits would be so great to the whole community in that you would reduce the incentive for land speculation, for holding slums, and so on.

Mr. Sevack: Removal of speculation would reduce the price of land.

Senator Pearson: These people are not speculating at all.

Mr. Payne: When they relocate.

Mr. Sevack: They could buy land cheaply if there were no speculation. Land values are highly speculative.

Senator Pearson: A whole group of people is moved out of a district because a high rise goes in.

Mr. Payne: Why did the high rise go there in the first place?

Senator Pearson: They selected it because there was some convenience for the people to get in there.

Mr. Payne: Precisely. This means that the people living in that area are enjoying those facilities without passing them on to the community.

Senator Pearson: They are penalized because they happened to build there years ago and now live in a good area.

Mr. Payne: They are penalized now because of the application of the ability to pay tax. However, if this system had been steadily applied, in other words the benefits received had been steadily applied, this situation would never have occurred or existed because the taxes would be mounting steadily each year. Therefore these people would not be living in an area for such a long time.

Senator Everett: How would it stop speculation?

Mr. Payne: A tax on the land value of benefits received would discourage it very greatly.

Senator Pearson: There are no extra benefits in that area except the fact that the high rise is there.

Mr. Payne: No sir, that high rise is there because of the benefits that are available.

The Chairman: But, gentlemen, from the time that I was in university, which is almost 40 years ago, this very same subject of changing the method of taxation of land, and so on has been discussed. Our friend, Senator Roebuck, used to give us a yearly lecture on it. Henry George's society always came before us once a year at least to discuss it. I notice that our good friend Senator Roebuck is the honorary chairman of the association, which is appropriate and proper.

So there is no hurry about settling this thing; it is nice to listen to and as far as you are concerned, if you came here for the purpose of provoking thought, you have succeeded. You are in a proper forum, I assure you, because we have been doing some hard thinking on our problem for over two years. To the extent of presenting your problem today you have succeeded.

Senator Pearson: When this committee was in Toronto we received the same complaint. People told us they had been living in an area where these high rises were building and were supposed to leave. They had been living there in comfort and did not like to be pushed out.

Mr. Payne: That is under the present system of land value taxation.

Senator Everett: I am in favour of land value taxation, but you say it removes the speculative value of land. How do you think it does that?

Mr. Ferguson: Land value arises mainly because of the fact that the community exists and provides services. If the people who own the land or have title to it were to pay their fair share of those services, then when the land becomes very valuable it becomes uneconomical to hold without being used.

**Senator Everett:** In effect what you are suggesting here, with which I agree, is that it prevents people from holding raw land. There would still be the speculative element.

Mr. Ferguson: Normally raw land is held in the hope of selling it at a much higher price, thus gaining the value that has been created by the community. This value can be channelled back to the community through the tax structure.

Mr. Sevack: The amount of speculation remaining is related to the amount of tax on the percentage of the economic rent. If 100 per cent of the economic rent is taken there will be no speculation, but that cannot be done, as it is not practical.

**Senator Everett:** There would be no speculation and no development.

Mr. Sevack: No, of course there will be development. Land will be relatively cheap if 100 per cent is taken.

The Chairman: Is there anything you gentlemen wish to add to the discussion?

Mr. Payne: I would like to add that the questions that have been raised have obviously been promoted by the considerable energy and time that you have spent in delving into poverty. Speaking personally, I realize that you are seeking solutions and plans that will help alleviate the problems of persons who are in poverty right now.

Our main reason for presenting a brief to your committee was to show you that the present methods of taxation in each of the three levels of government will continue to contribute to the poverty that exists, so that when programs are proposed such as low rental housing, negative income tax, and so on, the economic system will continue to apply pressure that will nullify those programs. Our presentation illustrates that we are not against the programs provided something is done to correct the economic inequities in the system as such. That is our reason for proposing the pure method, in other words, equitable taxation.

If one wishes to apply any kind of incentive or relief to certain groups and individuals, some other department may wish to investigate the mechanics. However, at least the basics are equal and any other incentives would be applied to an equitable basis, which is not so today.

The Chairman: When you say that any approach to poverty will have to take into consideration the taxation and the taxing methods, you are absolutely correct. We agree with you, except that you speak in terms of the pure method; we are going to have to settle for a somewhat adulterated method for the time being in order to reach out a little slower than you have.

In any event, you have been interesting and provocative in thought; thank you very much.

The Chairman: We now have a brief from the Bell Telephone Company. They were invited for a special reason. This is a new concept that we have not seen hitherto. The public is not aware of it. They are breaking new ground. There is an interest by the establishment in the poor, the unfortunate and the poverty stricken. The Bank of Montreal is doing something of a similar nature. These are the only two I know about. For that reason I think this becomes rather significant.

As I understand it, the expert in this country on this sort of problem is Mr. Kunkel, sitting next to me, who is the General Supervisor. Next to him is Mr. Draper, who is the Toronto plant supervisor. Next to him is Mr. St-Onge, who is the assistant to the vice-president here in Ottawa.

I will ask Mr. Kunkel to begin the presentation.

Mr. Hugh Michael Kunkel, General Supervisor, Materiel & Administrative Services System, Bell Canada, Montreal: It is my intent, Mr. Chairman, if you concur, to present the brief in two parts. There are two programs to which we are speaking, one the program at the Leclerc Institute in Montreal, which is a minimum security insti-

tution, and Mr. Draper will talk to the Collins Bay project in Kingston.

I intend to cover the highlights of the submission on the Leclerc project myself, emphasizing primarily the objectives of the program, what we had in mind in starting it, what we learned from the program, very briefly the program itself, and what we feel is required at this particular point in time.

I would stress that although the program was directed to rehabilitation of prison inmates, it would be equally applicable to rehabilitation of the unemployed, which I believe is one of your major contributors to poverty. The Leclerc project was directed to the data processing or computer field. This is only one profession, and a similar program covering other professions would be equally valid. I think the major point I would make here is that it is a matter of training and educating people in a profession that will result in a demand for their services.

With that I will start into the Leclerc project. Basically, the main objectives of the program were to provide the inmate with the opportunity to develop skills in a profession that would provide him with a challenging and interesting career, an adequate income and a secure future, and while developing the trainee to a high degree of competence and technical, managerial and social skills, direct dialogue with the business world would be established. The trainee would in this way be prepared for future employment. In addition, the program would aim at giving the student a sense of personal worth, which would restore his self-confidence and lend some meaning and purpose to the activities in prison. It would create in him a positive attitude towards society.

To meet these objectives, as a group we determined that the following requirements were necessary:

- (1) The instructor selected would not only have teaching skills but would be of a high calibre in technical knowledge and background;
- (2) The training program would be carried out in the same professional manner as a regular training course in the business field. Put simply, we applied the same training techniques as we do on the job to people in our company:
- (3) High standards of measurements would be set for students in the technical and managerial fields, so that these measurements would become both a present challenge and a future criterion for them. Simply, the standards were very high and very demanding;
- (4) The training course would be planned to meet the educational level of inmates who had grade 10 or higher education, and the group would be actively committed to provide for eventual placement of graduates. I guess we placed most emphasis on that, that it was not merely a matter of training people, but we would be committed to seeing that they got jobs when they were finished.

Now let me say a little on the program structure itself. Prior to the start of the course we present an introductory talk to the inmates who express interest in the course, at which time the program and its objectives are defined to them. We then go into a selection of candidates, which

consists of tests covering their computer programming aptitudes, mental alertness, logical analysis and critical thinking. Each individual is given a personal pre-employment type interview similar to that used by business. We sat them through an interview similar to what we apply to a graduate or anybody coming into the company for employment. In these interviews we were looking primarily for their interest, sincerity and motivation, as well as technical and managerial potentials. Inmates were then selected for the program.

The course was structured in two parts, covering period of approximately six to seven months. During the first part of the program the students received training in computer system fundamentals, supplemented by lectures and other material which we designed, at least 50 per cent of which was outside the technical field; it was in such things as what we call managerial skills, specifically dealing with people, working with people, having students stand up in front of a class, talk to the class and make presentations. It got far outside the technical stream. Successful completion of this first part is a prerequisite towards proceeding with the second term and more advanced instruction.

In the second term the students are exposed to actual programming and more advanced subjects. This again is supplemented by lectures and covers both technical, managerial and social areas. During this term the students are permitted to go outside and visit computer centres. This provides them with the opportunity to become familiar with sophisticated data processing equipment and its capabilities, and they are permitted to actually operate the computers. They run their own projects on these computers; they have the opportunity to run through the computer projects they have written themselves.

Following this an in-visit is arranged at the institution, when we invite personnel and data processing managers of companies to attend a presentation of the program, the background and objectives. We describe the program to them and we give them the opportunity to meet the students and review their work. This is done in a very informal manner. They sit down and talk to them and see what they have done.

Following this, formal graduation ceremonies are held at the institution. Students receive diplomas certifying them as programmers recognized by the Data Processing Management Association. We then work in conjunction with the Parole Board and the Institute for Job Placement for these individuals. There have already been two programs run and we are into our third year. Results are to date that we have 16 who have graduated and 13 fully employed. The average starting alary which these people have obtained is about \$475 to \$500 a month. They have progressed through performance on the job to an average salary of between \$575 to \$600 for those who started two years ago. I would say that is a conservative estimate and that we have saved the taxpayers in this program approximately \$100,000 a year. This is based primarily on the statistics available to us to the cost of about \$6,000 a year for an inmate and also added to this now that these are all taxpaying employees.

We have received some recognition from the Duvernay School Board which is a local school board in the area. They have received credit for 1,300 hours in the program. The Solicitor General has funded part of the program in the second year, providing approximately \$5,000, which covers strictly the computer rentals, key punch services and miscellaneous material requirements. This does not cover instructors' salaries, et cetera.

Going from there into what we have learned I guess, consistent with the objectives as we previously outlined, we set out immediately to endeavour to convince business, Government and the individual to become active participants in the program of this type. The results, however, were discouraging and this has become a continuous problem. There is always encouragement from those who are aware of the program, but a failure to become involved and a lack of commitment and obvious apathy is very apparent. In the brief there are a few examples of this which we have stated for you. I think these examples will give you some appreciation of this program.

Throughout the program we were very impressed by the interest, application and enthusiasm of the students, but not impressed with the other participants in the program, namely the individual, the Government and business. There is no question of the need for this type of program and through efforts of the field I think we have proof for the potential for success. There has been no lack of encouragement from those in the program, but a failure to get involved and a lack of commitment and apathy are too apparent. Generally speaking, business itself is willing to contribute the sources to support the program, but the availability of human resources and the offer of equal opportunity is limited if it, in fact, actually exists in many places.

We found the institution very co-operative and willing to set precedent, but again they are lacking the technical facilities, manpower and economic resources. We found the students to be capable, competitive, motivated, determined and sincere. We found them capable of individual effort, as well as team effort and found them seeking the opportunity and when given it, have proved themselves competent. We have learned, though, that when people have been subjected to extremes of social isolation, deprivation of one kind or another that we must give more than opportunity to learn. We must take positive steps to help them rid themselves of their self-doubt, apathy and fear-fear being the major problem. All we have to do for such people is to provide them with opportunity and those who are worth their salt will learn. We know that individuals need not only instruction, but confidence; not only books, but certainly motivation. They need to be able to cope and believe in themselves. That is the major problem. Any program of this type must be a total program and it must encompass, first of all, education. We followed with job placement and then followed up with counselling as a must. Any one of these done in a vacuum or unilaterally does not solve the problem.

I guess we cannot ignore the fact that in our society today, despite its supposed progressiveness, we have not rid ourselves of many crippling prejudices. An opinion held in certain places is that a former inmate is in danger of backsliding. This opinion is held by many people and it has contributed more to recidivism or hereditary or poverty situations. What, then, is required? A program I guess is only a start and certainly it has just scratched the surface and a very small scratch at that. From the Government we require some recognition of the need and type of things that should be going on, some co-ordination, assistance, facilities and material. From industry or business we require recognition, commitment and human resources to provide full-time dayto-day participation in programs of this type. In hiring we must be prepared to take a risk and one I would say no greater than hiring a university student today. There is a risk, but certainly no greater than hiring anybody else. From societies and professional associations we require that they contribute more of their time and effort to programs of this nature. They should devote equal time and effort to the betterment of society. Right now I would say for the most part that professional associations are spending 90 to 95 per cent in bettering themselves. From the individual, who is the key to all of this and who has been fortunate enough to require education, experience and skills of various professions, we require that he reinvest these skills in rehabilitation. This means involvement, commitment and personal participation.

As for the inmate, I guess he has an obligation to himself, to the program and to the future graduates through the practical, successful and continual application of what he has learned.

We have been very satisfied with the results to date with these people. In other words, they have lived up to their obligations with the exception of one failure that we did have. The rest of them have all lived up to their obligations and certainly we are quite pleased. I think that is because we have introduced a lot of follow-up counselling and worked very directly with them.

Where do we go from here? I would say that the lip service theory and philosophy is not enough and we will have to accompany this by specific planning co-ordination and that a task force be established immediately with representation from Government, industry, rehabilitation agencies, educational authorities and professional associations under the chairmanship of the Government. They would be charged with formalizing and accrediting the program, obtaining funds and grants and obtaining and installing computer facilities. These are the technical aspects. They should also provide course material and implement pilot courses in institutions and an expansion of the course to include computer operation and maintenance. This is a whole area untapped and it could be expanded into key punching where there is a great demand for female labour in the market today for this sort of facility. A channel should be established for data processing work from tax-supported agencies. Here again within the institution these people could be put to work in very profitable areas. The Government could have them do it instead of agencies. We should establish supportive services for the graduate in his new job, including essential follow-up counselling and bonding guarantees. Bonding guarantees still do not exist.

Mr. William Montague Draper (Plant Supervisor, Bell Canada): Mr. Chairman and honourable senators, I would like to summarize briefly the Collins Bay project, which is a little different in its concept. The Leclerc Institute program is a professional organization strongly supported from our company, initiating a total program of training.

Senator Hastings: Are you from Bell, too?

Mr. Draper: Yes. As a result of contacts between our executive and the penitentiary services, at the graduation of the first group of the Leclerc people, we were asked to see if there was some expertise we could lend as a company, to training in the industrial field. As a result of this contact, we had a look at the operations of vocational training in several institutions and we worked as a staff group to influence the existing system, which is a little different from taking a total package in.

In the fall of 1969, we got started in this examination. At that time we found that the Collins Bay Penitentiary was in the process of developing electronic training. It was from this base that the Bell plant people proposed an electronic theory training program. The method of tuition was to be programmed instruction, a method particularly suitable to the prison situation of a wide range of learning ability and a varied flow of students. As well as planning the instruction program, we loaned all the hardware, electronic films, projectors, screen and so forth, and Bell employees were directly involved with the project in their working day. The curriculum was co-ordinated with the Ontario Colleges of Applied Arts and Technology and the Canada Manpower Department. This enabled those taking the course to continue training from any number of achievement levels or to enter an electronic specialty for which they were qualified either on release or on day parole. At the time of writing there had been no graduates from the eleven original inmates; but at this time one man has been accepted by St. Lawrence College and given a credit of one year into a two-year electronic technicians training program, and two men are about to sit for the Department of Transport examinations. That will give us our first series of graduates. Programmed instruction training has expanded into vocational training centres in the prison, at the request of the prison training people. A plan to invite other industries to join Bell Canada and create a vocational committee to continue assisting penitentiary services has not yet been accomplished. The program had the support of all levels of penitentiary services and a penitentiary psychologist is assisting in the evaluation of the program.

However, there have been some problems in carrying out this type of assistance. The prison organization is an established one, tending to be rigid, and not always willing to cope with changes, new ideas and concepts. Time in a prison environment is of little consequence.

The Chairman: Except at the other end, with the man doing "time" behind bars. However, go ahead, we know what you mean.

Mr. Draper: Learning speed was ignored and until, with some coaching from us, the training officials in the penitentiary contacted the Board of Education in Ontario

and they got another slant on this, we had trouble getting acceptance for this idea. The budget presented a problem of over-spending and the prison environment and organizational structure were factors which prevented the prison staff from making day to day decisions essential to developing new programs. The course revealed that students up to Grade 9 found reading and reading comprehension very difficult and it was necessary at various stages to have the program modified to bring up their academic standard.

The penitentiary people were convinced of the effectiveness of the programmed instruction technique and would like to use it in related vocational training. In fact, they have now, to some degree. We suggest that the prison staff should also be concerned about social skill training and the trainees would then have an equal opportunity when approaching the employment market. Consideration could be given to using Collins Bay as a model training school in the program instruction technique, but the trainees should be followed up on release for proper evaluation of the project.

I might add that this is difficult because, unless a man is on parole, there is usually a clean cut, the man on release wants to break away all contacts with the prison and the prison find it very difficult to do any follow-up evaluation under the present methods.

The Chairman: Thank you, Mr. Draper. Mr. St-Onge do you have something?

Mr. Claude St-Onge, Assistant to the Vice-President, Regulatory Matters, Bell Canada, Ottawa: Mr. Chairman, this is just a resumé of the resumé.

The Chairman: Very well. You will have to go slowly. Have you got an extra text?

Mr. St-Onge: I have, but it is an abbreviation, which I have abbreviated this morning.

The Chairman: Very well, go slowly.

[Translation]

Mr. St-Onge: In the summer of 1968, certain employees of Bell Canada, members of the professional association of data processors developed a training program for a specific group of inmates of the Leclerc Institution and they assumed responsibility for managing it. The purpose of the program was to give the inmates an opportunity to acquire training which would enable them to find employment on their release.

The program, divided into two courses, was spread over a seven-month period. At the beginning of the course, in October 1968, 23 students were able to familiarize themselves with the I.B.M. computer system and to learn the basics in theory courses given with the help of audiovisual aids,

The second course consisted in giving the students practical experience in programming and in initiating them in more advanced subjects. In 1969 the students received a diploma which conferred on them the title of programmer recognized by the professional association of data processors. Seven graduates found a job in private enterprise and are still working there as programmers.

Bell Canada retained the services of three graduates while another went to work for Northern Electric. They all give signs of being on their way to carving a very interesting career for themselves.

The employees of Bell Canada were again asked to take charge of a course which began in early October 1969 and ended in May 1970. There were eight graduates, six of whom have jobs at the present time. It is expected that the other two will find work shortly. It is estimated that since those 13 men returned to work—they are now earning a living and paying taxes—there has been at least a \$100,000 saving to Canadian taxpayers. The course will be given again this autumn, as well as next spring.

Now, with regard to the Collins Bay penitentiary, in the autumn of 1969, the Canadian Penitentiary Service asked Bell Canada to assist it in the planning of training courses for inmates. Since they were in the process of organizing an electronics course in the Collins Bay penitentiary, a group of Bell employees proposed a theory course on the subject. The programmed teaching formula which was fully suited to a prison was chosen.

Bell Canada, in addition to preparing the course material, loaned the necessary equipment such as films on electronics, projectors and screens. Diplomas have not been granted yet, but of the 11 inmates enrolled in the course in February 1970, six are still participating in it.

Here are a few problems that we have been able to identify and a few recommendations that we would like to make in this connection. Although Bell Canada participated in the Leclerc Institution and Collins Bay penitentiary training courses, this is not a company policy as such. The programs that we set up, as well as the conclusions to be drawn, and the recommendations to be made, differ from one project to another.

With regard to the Leclerc Institution project, it was very difficult to convince businessmen, members of the government, as well as other people, to take an active part in such programs. In general, businessmen do not hesitate to provide the equipment but they are reticent about lending personnel, or placing the former inmate on an equal footing with the other workers.

On the other hand, Leclerc Institution has never hesitated to co-operate, to create precedents when it had to. However, it had limited manpower, technical and economic resources to offer. At the Institution, re-education is concentrated on manual occupations which do not arouse the interest of individuals whose I.Q. is above average.

In the final analysis, the professional association of data processors feels that the program is only a beginning, and recommends that a working committee be set up under the joint chairmanship of a member of the government and representatives of the business world, composed of representatives from the government, industry, education, re-education centres and professional associations.

As you already know, the organization of prisons is rigid. It is not always easy to make them accept changes, new ideas and new methods. The budget was also very limited. Furthermore, the structure and the very atmosphere of the penitentiary community often prevented the management from taking, from day to day, decisions that were essential to the development of such a program. It has been recognized that students who had between six and seven years of education had difficulty in following the course because the reading and comprehension of manuals posed problems for them. A few parts of that course should be modified.

The penitentiary authorities believe in the effectiveness of the teaching program. They would like to apply this formula to other training courses given in prison. The employees of Bell Canada suggested that the prison authorities be more greatly concerned with making sociable human beings out of the inmates, thus enabling them to be better prepared to return to the labour market. It would be advisable to consider the possibility of using the Collins Bay project as a model of the programmed teaching technique, but to do that, it would be necessary to be able to follow the inmate's development after he returns to work.

[Text]

The Chairman: Thank you, Mr. St-Onge. Senator Hastings.

Senator Hastings: Thank you, Mr. Chairman. As one who has had limited experience and exposure to the penal institutions and the programs, I have nothing but the highest praise, gentlemen, for the work you and the gentlemen from Bell Canada have done and are doing, and the new ground that you are breaking. After reading and studying your brief I cannot help but be impressed at the very striking similarity between your description of the plight and the aspirations of the penitentiary inmate with whom you have been working and that of about four million Canadians who are living in poverty and whom we are trying to assist.

On page 3 of the appendix to your brief you state that students, who are inmates, were considered to be capable, competitive, motivated, determined, sincere and demonstrated individual efforts as well as team efforts. The inmates—I will use the word inmates—sought the opportunity and when it was granted proved themselves competent.

That, gentlemen, is exactly as I have found the case to be with the people in poverty in this country: they are seeking opportunities. That is all they have ever asked for.

As your brief shows, the people in poverty and the inmate are both existing in an environment of frustration and hopelessness and with a deep and profound sense of failure and despair and apathy. The personal tragedy of the inmate and the personal tragedy of those people in poverty in this country are synonymous.

In your brief you mentioned changing attitudes by jettisoning prejudices and replacing them with new concepts. We all agree that what we have found in the work

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of this committee is that we have to cease some of our repugnant, unacceptable practices of condemning and cercing the people in poverty, and the inmate, and replace those attitudes with some programs that will restore the respect and dignity of the individual. We have to drop these outworn myths with the poor and inmates and replace them with policies and procedures offering opportunity and hope.

With regard to changing prejudices, I must say I share completely your views with respect to professional men and businessmen. The indictment you make against business on page 2 of the appendix to your brief is very interesting. You state that in the endeavour to convince government and business to participate in programs of this type the results were discouraging and that it is a continuing problem. Apparently there was always encouragement for those aware of the problem, but there was a failure to become involved; there was a lack of commitment and an obvious apathy.

I find it strange when I compare that statement to the evidence given to this committee by the spokesmen of business, the Canadian Chamber of Commerce, when they appeared before us. Just quoting from their brief, they had this to say:

...let it be noted that we speak for business and make no apology for concentrating on features with which we are in daily contact and of which we should have experience and specialized knowledge and which we sincerely are prepared to place at the service of our disadvantaged fellow citizens.

Later on in the brief, in which they take credit, incidentally, for your project, indicating their interest in the poor and what they are prepared to do, they state that the Chamber is prepared to co-operate with government, labour, education, etc., in placing our members' expertise at the service of the poor so that the shackles of poverty can be struck down.

That is in strange contrast to the evidence you have presented here this morning that they were given the opportunity to participate in programs to assist the poor but didn't take up the opportunity. It is a pathetic record. As you stated, and I wholeheartedly agree with you, they pay only lip service to the poor. That is an attitude we have to change. It seems that the businessman, as you have found, and the professional man are quite prepared to give you money for any worthwhile project, but they have no time to become involved. But in my estimate involvement is what is needed. We have to become involved. We have to contribute to and receive from these poor and these inmates who are both in poverty.

With respect to new techniques, I should like you to tell me how we can change the attitudes of the business and professional men from the present premise on which they seem to operate, which is what is good for Canada is good for business. How can we re-educate them and impress upon them that what is bad for Canada is bad for business and that poverty fits into that category?

Mr. Kunkel: It is the age-old problem of communication. Oddly enough, I am a member of business, obvious-

ly, so I am one of the offenders. And this is a fundamental part. The sort of business, the sort of government and the sort of society we have—it is really a case of the individuals within it. Oddly enough I got involved, you know, because I was interested.

Senator Hastings: Could you stop there for a moment. Has your attitude changed?

Mr. Kunkel: No, sir.

Mr. Hastings: Have the 12 men from Bell changed?

Mr. Kunkel: No. There is no question about it.

Senator Hastings: How did you become involved?

Mr. Kunkel: Because I was exposed and I became aware and, as I say, it is the age-old problem of communication. You know, a lot of it is ignorance. It is not intentional. I think basically there is nothing wrong with the ideals we profess. It is the question of practice, and becoming exposed to it and becoming involved; you become very aware of the need and you become very aware of the problem, and you become very involved with doing something about it. Certainly since I got involved with the program and saw the situation, I became aware of it and started to communicate within our own company and with other companies and talked to many thousands of people about this. We tried to communicate, and we did get somewhere; we got 14 people a place. So that is 14 people and about eight business which means that eight businesses did take the risk, did meet people and did get involved and then they started to see what these people were capable of. Oddly enough four of these people have been promoted since they have been there to managerial positions, and these were people with a grade 10 education. Now these people are coming back for more. We had demands for our graduates last year. It is a matter of progression which I guess is pretty general. I think it is quite an educational program we have around here. But simply we have to get people involved themselves. Now what can business specifically do? I guess in a program of this type they should be prepared to provide some resources to the government or whoever is going to lead it. The government is involved here very much as well, and jointly provide these resources to them, and let the government pay for it on a consulting basis, but they provide the people free of their other bounds. This is the problem. We have not got the time. I can see business having problems from day to day as well. We have our own problems trying to keep ourselves afloat and so I guess presenting these people, more professional people, and starting a little higher up the organization to become aware of it, then you will start to get some support and strength for it and then it will start to revitalize itself.

Senator Hastings: As you say, we are busy with our problems. But the point is that this is your problem.

Mr. Kunkel: Many things are coming to the fore in recent years. We are becoming aware of this, and this sort of approach in a vacuum is coming down to haunt us. We can be the best business in the world and some-

body blows it up and it will not be much good to any-body. And these are all the results of many frustrations that are building up in people. So I think you see a lot more and certainly in our company anyway there is a lot more involvement and a lot more interest. Oddly enough it is only on exposure to these things that people start off. We are a little fat; we are pretty comfortable and it is a nice life, and we are not quite sure that we want to see that other side. When it comes down to the individual you find that oddly enough you can get a business to support a program of this type. We have had good examples of this. You bring these people in and people find out that they are inmates and they won't work with them. People will take money out of banks if they know inmates are working in banks.

Now, who are these people? They are you and I. Yet it is the same person who says "Something has to be done." We do not get support from the general public either. They do not want to work with these people. They won't trust them. Then there is the other problem with hiring these people and I have to emphasize that education is the key. All these things that these people bring to you, I agree with you that they are the same things that you have in your unemployed. There is lack of confidence; they are not sure of themselves and they do not have good background. They come in for an interview and these are things that the interviewer will view as incompetency. Therefore they will not hire them. And of course now there is a greater supply than demand and standards are rising. So the same company that will agree with this program and says they will participate will set a standard of entry that is so high that we cannot get them by. If they support a program but their standard is a graduate degree, I would say they are not going to get them by the door. But then if you lower the standards, you have labour on top of you and you have other people on top of you because you are lowering your standards for some people and not for others.

We were criticized for this program very severely, and I think rightfully so, by an individual in Montreal who wrote to the paper, I guess the Star, saying "It is odd, here I am a widow with a family, unemployed, and I went and took a course, a computer programming course at one of these public institutes, and I was not able to get a job. And here is a program which you people put on for prison inmates. You graduated them and you got them a job. Do I have to go to prison to get a job?"

I cannot argue with her. She was right. She was right in the manner in which she did this. She did not criticize what we did; she just said who she was, and she was right. Frankly, these inmates have better opportunities than your people down in the St. Henry district of Montreal have. The program should be going on out there as well with these people. So there is a real conflict there, I agree.

But it has to be joint too. I am afraid if the government pick it up as a social program it may work like anything else. They will not necessarily get acceptance of it and you might end up training people for things that are not in demand.

This is the other thing that we mention in here; you do not pick trades that are going out of business or that do not exist any more. If we were to try to train people how to shoe horses, it would be ridiculous.

The Chairman: But are you not choosing a "toughie" when you get into the date processing business? It struck me at the beginning that you were really reaching for the top. Was there nothing else that you could have trained them for in big Bell that could have been easier?

Mr. Kunkel: Possibly. It was initiated through the Data Processing Management Association and I guess I was reverting to something I knew well and knew I could get competent people on. Also there was a great demand for programming people. At the same time in the area that Mr. Draper might train people in, they were laying people off.

Mr. Draper: In some other fields that may seem more acceptable to the group of people you may find in terms of educational ability, you will find rigid regulations, federal, provincial and trade that put roadblocks in terms of educational standards that cannot be met in the penitentiaries or by the poor in the way of being able to be certified in those trades. They may seem more desirable, but this is why we might choose electronics as a fairly fluid trade in terms of regulation saying "You must have x hours and x education" as against motor mechanics which might have quite rigid regulations.

The Chairman: I did not see your point before, but I see it now. What you are saying in effect is that at this stage you are writing the regulations rather than some government body and you can adapt to them, you make sense to me.

Mr. Draper: Electrician training has been given up by some penitentiaries because of the inability to cope with the labour requirements.

Senator Hastings: The 12 Bell men involved in this program, did they contribute additional time other than Company time to it?

Mr. Kunkel: It was all done on their own time.

Senator Hastings: It was all done on your own time?

Mr. Kunkel: We picked a few hours here and there, and we certainly used a lot of the resources within the Bell. And we had some activities that were taking place during the day as well, but for the most part I would say it was done on our own time.

Senator Hastings: Of the 43, 13, you say, finished. What happened to the 30? Did they drop back into mowing lawns?

Mr. Kunkel: Some of them came back in the next year's program and did all right. I do not really know. The main key to this thing was that we felt we were going to graduate somebody who we felt would get by and would be capable of getting a job. In other words, we did not want anybody to get their hopes up and then come along and say "You have got the training now, but

we did not have a job for you." The standards were quite high, and I think in a larger program the standards would not have been as high. There were people that we considered would not make the grade, but we did sit down and we had a good discussion with them about where we thought they could get into, and they accepted it and there was no hard feelings.

The Chairman: I can see the point you are making. You made the effort to get them to get into something new. But when you come to the question of successes and failures, my own view is that the failures are as important as the successes at this stage. It is important to know why some succeeded, but it is also very important to know why some of them failed. If you can, you do work with the people who did not make it because it will help some of the others, and you, later on.

Mr. Kunkel: We did spend a lot of time with these people, talking to them.

Senator Hastings: We have to change our attitude, the attitude of society, that of banishing a prisoner and putting a wall around him. We do practically the same thing with the poor; we put them in ghettos and forget about them. What I have found is that if you treat a man as a man, he will react as a man. I am not speaking about a certain element, but 90 per cent of them, the same as 95 per cent of the poor.

The Chairman: Senator Hastings, when on his holidays, has the habit of visiting these penitentiaries, so his concern is a very serious one.

Mr. Kunkel: Oddly enough, they are among the most honest people I have met. It is refreshing at times to go up there and meet with the sincerity.

Senator Inman: First of all, I would like to congratulate Bell on instituting this program, a very interesting one especially in regard to rehabilitating unfortunate people and preparing them to go out into society again. With regard to the Collins Bay project, I notice you do not mention women at all.

Mr. Draper: That is a separate institution. There are about three of them at Kingston. There is the Kingston penitentiary for men, maximum security; Collins Bay women's, and the Collins Bay medium, which is the one we are dealing with, which is all men.

Senator Inman: Is there any thought of having women take it?

Mr. Draper: We have not been requested to and I have not even thought about it.

The Chairman: You did mention in your original speech that this data processing was very attractive to women. Senator Inman's question is quite pertinent.

Mr. Kunkel: Certainly, there is the same opportunity and the same need. For example, there are many skills in demand today that could be taught in the same way. We did not get involved if for no other reason than that we

were limited in our first step. The same potential is there, very definitely.

Senator Inman: When you get around to it?

Mr. Kunkel: Yes, when we all get around to it. I think we have to broaden this thing, very definitely.

Senator Inman: I was interested in page 4, where you speak about piped music. Would it not add further to the confusion created by noise? I know it would help me because I love music, but not in competition with other sounds.

Mr. Kunkel: That is for a specific purpose. Program instruction takes place as an individual learning in what we call a corral, which is a little work area where he is shielded from distracting sights and works more by himself than with an instructor. There are times when he needs to do a little lab work or run a film for himself, or talk to an instructor. Those movements and distractions in a program study area are very annoying to the others in the group, because everybody is working at a different point in their program. So you mask all the room sounds with the music, and it is music chosen not to be distracting.

Senator Inman: But loud enough?

Mr. Kunkel: Loud enough to mask other sounds so they are not distracting.

Senator Inman: I notice that when young people go to study these days they turn on the radio as loud as they can.

Senator Hastings: Rock music.

Senator Inman: Do you really feel this is a very successful program?

Mr. Kunkel: I would say at the moment I have a conservative estimate of its success. It is turning out people. We have concerns about keeping the program going. Our experience is that where you help there is quite a reliance on your help, and we would like to see the program taken over fairly firmly by the penitentiary, but we have to keep offering our leadership, and it is difficult.

Senator Inman: It has not been going long enough for you to know if people fall by the wayside and have to come back?

Mr. Kunkel: We have not had people leave the penitentiary after the program.

The Chairman: What do you mean?

Mr. Kunkel: We have had one out of 14 who unfortunately is back.

The Chairman: Is back in?

Mr. Kunkel: Yes, but not for any serious reason.

The Chairman: As I understand it, out of about 40 you succeeded in the case of 10 or 12?

Mr. Kunkel: Sixteen. Thirteen are working.

The Chairman: In my view, that is exceptional, one recidivist. If you knew what our record on recidivism in this country is, it would shock you. It runs to 80 per cent or thereabouts, so when you get one back you are almost perfect.

Senator Inman: These people who take this training, what age are they, generally speaking? Do they come from the middle-age group or the young?

Mr. Kunkel: They run pretty well from 25 to 45. I think it would be pretty well a mean through there, a median around 30-35. No, that is not correct, there were two or three in the 24-25 age group. In most cases they are second offenders in the medium security. They have the minimum security there, which is normally first offenders. There is a program going on there as well. Again, we should be back one step further and this should all take place out in the front end, as you suggest, Senator Hastings, out there in poverty, certainly for the first offenders; but, for the most part, ours are second offenders.

Senator Inman: Is the thought to continue this training in the other institutions—medium or minimum security like Springhill?

Mr. Kunkel: Frankly, if we can get support from the Government, the lead will have to come from the Solicitor General's office. We have made a representation to him.

Senator Pearson: I am just wondering if these students, if you call them, in the penitentiary get out right away after they have met the standards that you have set for them? Do they go before the Parole Board and get out right away and start in their positions, or do they stay there to finish their sentences?

Mr. Kunkel: Not necessarily. If they are in a position to apply for parole, then they do. The Parole Board does consider graduation from this program as a plus on their side, but they go through the normal parole procedures.

Senator Pearson: They can only apply if they have a position to go to; is that right?

Mr. Kunkel: That is the big thing, if they have a job. That has a big bearing on it. I am not all that familiar with the workings of the Parole Board, but there is that, and the fact that they have successfully completed this program. These are pluses on their side. I think they have advanced the parole dates for some of these people, based upon their success, but I am not too familiar with the workings of the Parole Board.

Senator Pearson: I know that in Prince Albert, which is a maximum security penitentiary, there is a chapter of Alcoholics Anonymous, and they have been quite successful with some of those fellows, but I am not sure whether the fact that a prisoner has been rehabilitated gets him out at an earlier date.

Mr. Kunkel: Unfortunately, the one problem that we had involved an alcoholic. This is a far-reaching situation. That man was an alcoholic, and he ended up by going back.

Senator Pearson: Do you find that you are training prisoners who are relatively more alert than the average person?

Mr. Kunkel: Yes, I would say so. I was surprised by the intelligence level and the competence of these people. I have to be careful in what I say because I tend to generalize on the ones that we have seen. There are others there that obviously do not meet these standards, but the ones who applied for this program and who became involved in it pesented, I would say, a higher standard in testing than we find in persons off the street.

Mr. Draper: This is not necessarily the experience. In the program at Collins Bay we had trouble in getting enough people with sufficient learning ability to attempt the electronic training program. This was due to the presence of competing programs. Our experience has been that there are relatively few people in prisons with better than Grade 8, and less with better than Grade 10, effective ability. This is borne out by what the penitentiary service tells us. So, when you get into a sophisticated program you are draining off the cream that is there. Programs such as the Leclerc one puts the people on it into a good competitive position. But, we still have to creach that other group that are having real trouble with Grade 8 skills.

Mr. Kunkel: Interestingly enough, something that this does generate is a desire to go back to school. Of the 13 that we have out now five are back in school, and three are going to university, having received credits for what they had done in prison. They are all competely aware of the need to do this.

Senator Pearson: They are taking the extra time to do this outside of their jobs?

Mr. Kunkel: Yes. Three are attending Sir George Williams University in Montreal, and two of them are also attending Sir George Williams High School.

Senator Hastings: But you generated in them the confidence that they can succeed.

Mr. Kunkel: Yes, they have the incentive that people have faith in them.

Senator Pearson: From your endeavours so far in your work with these people do you think that there should be a study made by business and prison officials in regard to this right across Canada?

Mr. Kunkel: Yes, the Government should give the lead there.

Senator Pearson: I am not quite sure that the Government should be the one to do this. I think that the business people are the ones who should be involved in these things because they are going to be the employers of these people.

Mr. Kunkel: I agree that they have to be involved. They have to be committed like everybody else, but the Government, as I see it, is responsible for rehabilitation. Business has to contribute the business knowledge and the business skills in the development of these training programs. Business can offer skills in the way of recognizing persons who can be taken out because it is aware of what people have to be taught, and it knows how to deal with people. These are the skills that business can bring to bear on the problem, and this is what business should contribute. Perhaps a few people skilled in these matters could jointly with the Government go across the country and review the situation in these institutions, and then come back and sit down with professional associations who contribute resources and develop a program, and cost it out.

Senator Hastings: May I ask a supplementary question, senator? If the Government takes this on then it will become bogged down, and will be just another program within a penitentiary, and it will not work. This is successful because you are doing it. You are going in there, and you are showing an interest in an inmate from outside. I do not know what it is, but when you come infrom outside you give an inmate confidence, and you generate in him an interest. If the penitentiary service takes it on then it will be just another course.

Mr. Kunkel: But we need Government support. If they do not provide you with the people and the continuing resources, the skills and the supporting programs, then it becomes very difficult. The program is not even accredited now.

Senator Pearson: I want to continue along this same line. Have you so far found it difficult to get the agreement of the unions for the employment of these people? Do you have difficulty at all with the unions? I notice you say that in electronics you have had fair success, but what about such trades as welding and carpentry?

Mr. Kunkel: I can speak only from hearsay in those areas. The areas into which we move these people are for the most part considered to be management areas. They are management positions in our company. A programmer is not normally unionized, so we do not have that particular problem. I have only hearsay information in respect of other jobs, and it is that the unions do buck this.

Senator Pearson: They do not buck the idea; they buck the ex-inmates getting the job?

Mr. Kunkel: What that inmate gets in prison has to be recognized, and I am not sure that it is recognized by labour. In other words, the unions would not recognize that a man has completed an apprenticeship and holds a degree in a mechanic's trade, or whatever it might be. I am not sure that that is recognized.

Mr. Draper: Most trades require Grade 10 as a minimum, and that would embrace the minority of prisoners. They might have the right amount of training in terms of hours and they might have the skill, but if they do not

meet that criterion then the door is closed to them. Our experience in this comes through our trying to help the penitentiary designed programs, and they have said: "We have tried that but we cannot get by the labour organizations, or the people who are setting the trade standards at the federal level". This effectively blocks the door to many of these people.

The Chairman: Senator Pearson has asked a very important question, as he usually does. These are three top management people who have knowledge of the organization and who have knowledge of the unions involved, I gather from sitting here that they are saying—and they are not too loud about it this morning—that they have avoided the union path and have gone another way. I can understand what they are doing and I cannot blame them for doing that, because they fear that all their training may come to nothing. Mr. Kunkel has said that one thing they cannot do is to build up a man's hopes and then have it dissolve in frustration. If a man has to go through that sort of thing then he is better off in prison, as Senator Hastings said.

Senator Carter: Mr. Chairman, most of my questions have been answered, but there are one or two left.

You say that this idea was spearheaded by the Data Processing Management Association in Canada, but it really originated in the United States, did it not?

Mr. Kunkel: That is correct.

Senator Carter: For how long has it been in effect in the United States?

Mr. Kunkel: I could not give you the exact time, senator. There are a number of areas in which it was initiated. In Pennsylvania, for example, Pendleton Penitentiary has had a course in effect for approximately ten years, to my knowledge. I am sorry, but I have not brought that information with me. I do have background information on other programs in the United States. They are much more advanced in a number of these places, having facilities in the prisons with inmates doing work for the government, the tax-supporting agencies. They write the computer programs for the government, put them to work and operate their own computers. They are trained in computer operation and maintenance. There are grants for this work. In Pennsylvania, Pendleton has a grant of \$280,000. The idea is not new in this type of training; it is done in a number of areas.

Senator Carter: The brief indicates that at Collins Bay the students range from grade 6 through 13, which is quite a large range. What was the range in the Leclerc Project?

Mr. Kunkel: Grade 10.

Senator Carter: Grade 10 was the minimum?

Mr. Kunkel: I will have to qualify that. If we found during the interviews that the potential was there, we did not hang our hat on grade 10. We have two graduates now with grade 7 education.

Senator Carter: You evidently applied other tests in selecting the students. Could you tell us something about your basis of selection, apart from academics?

Mr. Kunkel: Specifically we applied what we term the program aptitude test, the PAT test, which is given to graduates and others. It is designed to indicate aptitude for program planning.

We also give them a logical analysis and critical test and an I.Q. It is the Wanderlick, with which you will be familiar.

That was the battery of tests you gave. Again this is common in our business, that the tests are not used in the selection, but primarily to support it. We went through an employment interview, using a technique of primarily looking for sincerity in motivation. Then, through general interviewing techniques, we evaluate them as potential and non-potential and they are stratified accordingly.

Only after the completion of the selection process do we return and look at the results of the tests. If there appears to be an extreme conflict between the test results and the interview, we rethink it. There were two or three failures of some of the tests who were still accepted and did quite well. The tests alone cannot be used to select students.

Senator Carter: When the students were asked to apply, did they have any idea of the basis upon which they would be selected?

Mr. Kunkel: Yes, we told them in the introduction exactly what we were doing. They also had the right to appeal, by the way. Actually a few did and a few were accepted.

Senator Carter: The comment is made in the conclusions referring to Collins Bay that comprehension is very poor up to grade 9.

Mr. Draper: Reading skills.

Senator Carter: When I say comprehension, let me put it in a broader sense, communication.

Mr. Draper: Yes.

Senator Carter: A witness who appeared before the committee this week demonstrated the importance of communication, which includes the ability to understand what is said or written and to express ideas so that others can understand exactly what is said, either spoken or written.

In the field of communication the samples you have in Leclerc are superior because they have higher I.Q.s and a rather higher basic academic level. Would there be a deficiency in communication generally in that group?

Mr. Draper: Are you referring to the Leclerc group or Collins Bay?

Senator Carter: You say there is a deficiency in Collins Bay. I would like to know what the situation is in Leclerc?

Mr. Kunkel: Difficulty, yes. We had to spend much time in just that area of communication. We had some comprehension problem, but this is all part of the standards set. In other words, they were given tests continually in the class to see how they comprehended what was given the week before. They were made to put it to work. These students did not work on theory; they actually wrote computer programs and worked them on computers.

Yes, we did face a problem with their confidence and so on, where they could not stand up in front of a group and communicate, or even communicate with another man. They wanted to work by themselves, not with others. They had to be in control.

Again, these are all managerial problems, communicating, personal development, how to relate to others. We got into a lot of areas that were not technical and in that way we could see them develop. To the extent they succeeded, they continued with the program.

We applied managerial training, such as Blake and so forth, to these people as they went through.

Senator Carter: You found it necessary to remedy that deficiency?

Mr. Kunkel: Oh, yes. Otherwise they would never have got by the employment.

Senator Carter: Would you as a businessman expect the regular school system to provide that training?

Mr. Kunkel: Yes. Again this is just an extension of the education program in an institution, certainly.

Senator Carter: In other words, our curriculum, methods and school programs are not effective?

**Mr. Kunkel:** I would not say that. Similar programs to ours are now available.

Senator Carter: In the field of communication they come up through the school system to grades 9 and 10 and cannot comprehend very well what they read.

Mr. Kunkel: I do not find them to be this way. As a matter of fact they speak up and communicate much better than I did. They are, as they say, rapping amongst themselves more these days. Your comment may be true historically.

I know through my own youngsters that students have debates in grades 5 and 6. There is quite an improvement being made and I believe it is much better.

**Senator Carter:** But that would not apply to the Collins Bay situation?

Mr. Draper: Perhaps Mr. Kunkel was trying to avoid generalizing with respect to prisoners. He refers to the school system in total. The employees we get can communicate. Now, it would appear that those in prison have amongst them a rather large group who do have trouble communicating. That is, by appearances in our program we have communication problems, but I would not suggest by that that the schools have problems. We see them

in industry having quite good communicative skills today.

Mr. Kunkel: These people for the most part come out of the poverty situation and areas where the schooling also cannot be equated with that to which I referred. I am aware of the difference in standards that existed between schools, school boards and branches.

In the United States this year I was exposed to some of this with respect to the colour problem, where high school graduates could not pass high school entrance examinations set by other school boards. So maybe the standards are not being applied. These people do for the most part come from the area in which you are working, that of poverty.

Senator McGrand: My questions have been answered, but I was anxious to know how you screened these people in order not to take somebody who was incompatible with the work, somebody with psycopathic problems. I understand you did screen them and did not take them on a first come first served basis.

Mr. Kunkel: No.

Senator McGrand: You found that after they got into their work these people were capable of relating with those who worked around them, there was no trouble?

Mr. Kunkel: No trouble.

Senator McGrand: A while ago you said that there was a prejudice against these people after they came out of prison, that the banks would not hire them because they may steal the money and all that sort of thing.

Mr. Kunkel: No, I did not say that.

The Chairman: He did not say that.

Senator McGrand: It was something along those lines. Only a few years ago mental disease was regarded in the same way; a person who came out of a mental hospital was thought to be not trustworthy and was not allowed to do anything. This is just a question of educating the public to appreciate that for the most part the criminal is the victim of the society in which he has been brought up, apart from the genetic aspect. It is a problem of education, but I do not think you can ask the business community to take on the task of educating the public.

The Chairman: Let me tell you the kind of thinking that I gathered from the question asked by Senator Pearson, which has been asked here before. The thinking in this country about these people, the poverty stricken people, who have not too many skills but have to learn two or three jobs in their lifetime and move, is that there is a responsibility for Bell, Ford Motors or Chrysler Corporation and so on, to make to pay for part of their training along with the Government, to make them competent to work for them, that it is not all a government responsibility, because the companies obtain the benefit of their ultimate work.

**Senator McGrand:** I say that it is not the companies' responsibility to break down prejudices against these people.

Mr. St-Onge: May I ask a question of Mr. Kunkel? Were there any graduates who have approached, say, the provincial government or the federal government to get a job?

Mr. Kunkel: Yes.

Mr. St-Onge: If so, were they refused a job?

Mr. Kunkel: They were not refused, but they were not placed. The federal Government did not place anybody in a job, although we approached them.

The Chairman: The federal Government did not place anybody. Why? Did you press them?

Mr. Kunkel: Yes.

The Chairman: They have a rule against it in the Civil Service.

Mr. Kunkel: That is right.

Senator Hastings: What rule is that?

The Chairman: I believe there is a rule that you do not hire convicts in the Civil Service. It has been there for a long time.

**Senator Hastings:** I understand that rule has been withdrawn, although you cannot hire them for certain positions.

The Chairman: Well, they sort of ...

Senator Hastings: Put them all in that position.

The Chairman: I know it has been there and you just cannot get by it. Mr. Kunkel said something very important when we were talking about prejudice. Those of us who have been involved in civil rights movements from time to time know that the businessman will join and help pay the shot. Then when you say to him, "Joe, will you take a couple of these guys?" The reaction is, "Oh, I can't do that. He may be yellow, black or something else. That is exactly what Mr. Kunkel is talking about—from another point of view. We are as guilty of it as anyone.

Mr. St-Onge: There is somebody who should set an example, and that is the federal and provincial governments.

The Chairman: You are absolutely right.

Mr. St-Onge: Industry could do its share but we cannot do it all by ourselves.

The Chairman: I will tell you one thing. The federal Government will hear about this meeting in short order, particularly since the federal Government supplies some money for this. We will indicate to them that they should not waste the money they are spending but should take advantage of it. They will hear about it.

Senator Fergusson: Like some of the other senators, a number of the questions I intended to ask after reading the brief have been asked by others, and you have certainly given us some wonderful replies. I too am greatly impressed by the rehabilitative programs that have been sponsored by Bell Canada at Leclerc and Collins Bay. I have the highest commendation for the imagination and the interest that resulted in these projects. I very much hope that you will receive the support of the Solicitor General and many of your colleagues in other businesses so that this can be extended and taken to many other institutions besides the two you have chosen for your pioneer project.

I was very interested in hearing Mr. Kunkel say that the reason he became so interested was because he was exposed and became aware of the problem. This is what has happened to our committee; we have been exposed to poverty and we have become aware. What worries me is that we cannot expose individual people. How are we going to expose the majority of the people of Canada to these same things so that they can become aware? I do not suppose you can answer that, but I just point it out.

Mr. Draper: There is a snowballing effect that occurs. One of the things we have done is to involve the colleges of applied arts with us. We now find that the colleges of applied arts are working in the penitentiaries of their own accord. They are a particularly competent group in the area of vocational training. At Collins Bay they have their own program now related to ours. I think this will snowball as other people get involved.

Senator Fergusson: I have seen some of their exhibitions, and some of the work shown is wonderful. People are buying the work, which must encourage the men who are participating. Of course, like Senator Inman, what immediately came to my mind was whether you are doing something for women. I know yours is a pioneer project and you cannot cover the whole area. I know that the prison for women is so much smaller; there are so few women prisoners that I presume the prison for women would not come to your attention at first. On the other hand, often when pioneer projects are undertaken it is thought better to do them with a small group because the statistics can be worked out better.

Mr. Draper: I should like to correct an impression that I must have left. The college of applied arts I was referring to was the College of Applied Arts and Technology in Ontario, whose people are experts in vocational training, not in art work. I left you with the wrong impression.

Senator Fergusson: I am sorry, I misunderstood you. I know this is being done in several institutions, and I think it is a very good thing. After first visiting the prison for women I also visited Collins Bay, and I thought the vocational training being given to the men at Collins Bay was very good. However, I felt rather resentful, because the vocational training was given to the men during regular work hours, but when I visited the prison for women, although there were some opportunities for them

to take extension courses and things like that the only time they could do it was after they had done their day's work. If they wanted to work in their spare time at any of these things they were permitted to do so. I realize it is not as bad as that now, but at that time this certainly was the case. I investigated it very closely. I could not imagine myself, if I were working at washing, cooking or ironing all day long, being very interested in taking an extension course on my own time, even if I were permitted to do so. If anybody decides to have projects similar to this in the prison for women, I hope the women will be allowed to take the courses during ordinary working hours.

I would like to ask two questions. On page 3 of your appendix you refer to the fact that students are considered capable, competitive, motivated, determined and sincere and give straight individual effort as well as team effort. That rather surprised me, because I thought there was not so much good team effort amongst these people.

Mr. Kunkel: I wish I had the team effort in business that these people have. They are very clannish and competitive. Oddly enough, there is competition amongst them and they compete highly between themselves to be the best. They are looking for praise, of course.

Senator Fergusson: That is not team effort, but individual effort.

Mr. Kunkel: Yes, but at the same time they are the most willing group to help others in the same thing. This is quite evident, because you will notice that they have banded together and help one another. They were not all capable because of their own individual efforts, but they each received assistance. You have seen education passed from one to another very definitely.

With regard to your other point, that situation still does exist in the prisons where they have menial tasks to do and they were not permitted out. In our program we had to go through hell and high water to get that changed. They are permitted to work on this program and full time. They were given their own wing at the institution, which includes their own library. They work there together as a group. This brought them together. It did not keep them isolated in cells by themselves. They worked eight hours a day on this program. It motivated some of them to work up to 1 and 2 o'clock in the morning by themselves.

You must develop and this is where, of course, the Government comes into play. Unless they are prepared to change their present *modus operandi* you cannot fit these things in.

Senator Fergusson: There will have to be a definite change in their philosophy in treatment of prisoners. There have been several questions asked about the employers receiving these people and how they acted and treated them. I wonder if anyone asked you how the fellow workers receive them or do they even know they are ex-convicts?

Mr. Kunkel: You have both cases. It is at the discretion of the individual whether he wants to be identified or whether he wishes the fact to be kept confidential. In

most cases, the people, oddly enough, will identify to their confreres themselves. There is really no problem. It is like everything else, once the person is working beside another, the other one quickly finds out that he is not any different. People do not think of them in those terms, and I certainly don't. I am quite close to some workers. Sometimes it is curiosity at the beginning and they joke about it.

Senator Fergusson: They are just people.

Mr. Kunkel: Certainly. They joke about how they did it and what not and it is quickly forgotten. It is like everything else today, you don't recognize the drug problem until it involves your own child; you do not recognize poverty until you are broke, and you do not recognize these things until you get this exposure. I cannot answer your question as to how you communicate this. Business should take people out there and expose them, even for two hours one evening. All kinds of people come up for one night and return to work and are prepared to work. I say that the key is exposure to it and certainly I would think you people have the opportunity to expose people. Facts and figures and a thick brief will not do it. That might trigger it, but you have got to get them out there and see the situation.

**Senator Hastings:** You mentioned about helping one another and the change in motivation of the 13 you placed. Are they going back?

Mr. Kunkel: They are not allowed back in the prison. Therefore, they cannot return to help with the project,

however, they are helping outside. Two or three are running their programs for them and we have a phone service which we set up. They are not, however, allowed back in the prison because they are suspected of acting as con men.

The Chairman: Gentlemen, we, your seniors, are very pleased to have you come before our committee today. We want to compliment you, because you have planted an acorn. Your concern, as put by some of our people, is long overdue. I can only say thank you, but I am going to make sure that your curriculum vitæ is on the record so that other people see that you appeared before this committee.

You are breaking new ground and in these very trying days people such as yourselves not only take an interest but show a concern. This is very vital to the community in order to give these unfortunate people some hope and to assure them that there is a way out and that people are interested in them. That, in itself, as Draper said, has a snowballing effect. That is what we are trying to get across to people. There is not very much more I can say to you except to reiterate the thanks of the committee. You can take our appreciation back to your organization. What gives us a great deal more comfort and hope is the fact that other organizations know something of what you are doing, and that they too are setting out on a course very similar to yours. I think there will be further involvement as we move along. Thank you very much.

The committee adjourned.

#### APPENDIX "A"

CANADIAN RESEARCH COMMITTEE ON TAXATION

Westmount, Queb October, 1970.

#### SUBMISSION TO THE SPECIAL SENATE COMMITTEE ON POVERTY

The Canadian Research Committee on Taxation is a non-profit, non-political organization. Its purpose is to study methods of taxation at all levels of government with a view to promoting a constructive taxation policy which will create employment and foster the economic well-being of the Canadian people.

The Directors and officers of the Committee are as follows:

Honorary Chairman:

Senator A. W. Roebuck, Q.C.

President:

Mr. B. Sevack, President, Tripar Stamping & Mfg. Co., Inc., 11,300 Sixth Street, Riviere des Prairies, Montreal, Quebec.

Directors:

Mr. H. Payne, Sales Executive, Hawker Siddeley Canada, Ltd.,

8000 Notre Dame West, Montreal, Quebec.

Mr. L. Klagg, President, Graphic Industries Ltd.,

1090 Pratt Street, Outrement, Montreal.

John R. Ferguson, Financial Economic Consultant, 56 Sparks Street, Ottawa 4, Ontario.

#### Summary of Main Conclusions and Recommendations

The Canadian Research Committee on Taxation believes that poverty is the result of economic mismanagement which deprives part of the population of opportunities to share in the production and distribution of wealth. Such mismanagement in Canada is reflected mainly in a tax structure based on ability-to-pay which reduces the scope for individuals and business enterprises generally to use their initiatives and enterprising abilities in the development of a more productive economy.

This submission discusses the ways in which ability-topay taxes penalize efficiency and foster inefficiency, and presents
the case for a benefits approach to taxation which would distribute
the tax load to individuals, business enterprises and property owners
in a manner related to the benefits received from government services
and which would at the same time create the conditions essential for a
higher rate of economic activity.

The Canadian Research Committee on Taxation recommends merely that the Special Senate Committee on Poverty prevail upon the Government to have a study made of the benefits approach to taxation in order to compensate for the fact that the Carter Commission and the Government itself neglected to have such a study made before they completed their proposals for tax reform. A further important reason for such a study is that the Government itself is presently engaged in implementing a cost benefits approach to the allocation of resources within its own government departments, in line with the recommendations of the Glassco Commission Report.

#### SUBMISSION

Poverty is the result of part of the population of a community being deprived of opportunities to play a significant part in the production of the wealth of the community and to obtain a sufficient share of the wealth produced to maintain minimal living standards. Inequality of access to opportunities to produce wealth results in an inefficient employment of economic resources, a lower rate of productivity than would otherwise be attained and economic problems generally which bear most severely on that portion of the community that is deprived.

Poverty is not a natural state but results from man's mismanagement of the economy as a whole. Actions taken from time to time to alleviate the conditions of those living in poverty may be useful but will in the long run do little to eliminate poverty unless at the same time action is taken of an overall economic nature to bring about a more equitable distribution of opportunities for members of the community to participate in producing wealth and sharing in the results of such production.

Given the fact that man's wants and desires are evergrowing and that men generally are willing to exert themsélves to produce wealth if their rights to the fruits of their exertion are respected, and given the fact that there exists the economic resources from which wealth may be produced, then in a well-adjusted economy, the tendency at any one time should be for the full utiliz ation of economic resources and a high rate of real economic growth. Anything less than this can be attributed to the problems that man himself creates.

It is essential if the economy is to be highly productive, that the enterprising abilities and iniatives of individuals be given the maximum opportunity for self-expression. This requires the efficient development of market forces, for it is in the market place that individuals' decisions affecting the allocation and use of economic resources come into play. Such a condition however requires a tax system that to the maximum extent will leave with those that are productive the results of their enterprise and labour.

The present tax system in Canada does not meet the conditions required for the efficient operation of the market place nor does it respect the rights of property or the freedom of individuals to determine the allocation and use of resources. It is based on an ability-to-pay concept that has the effect of penalizing the most efficient producers in the economy and subsidizing the least efficient. It has the effect of destroying the iniatives and enterprising abilities of a significant proportion of the population while at the same time providing opportunities in abundance for efforts to be diverted from production to the timeconsuming and non-productive activities involved in attempts to minimize tax liabilities and in tax avoidance and evasion. This is to a large extent the result of the inability of those responsible for designing the tax system to determine any reasonable methods of measuring ability-topay. A further serious effect of the ability-to-pay approach to taxation is the latitude it provides the government to redistribute incomes without regard to property rights and to supplant market forces in determining the allocation of economic resources. To a large extent the redistribution of incomes takes the form of a diversion of incomes from persons to business enterprises, and to a relatively few business enterprises. This has resulted from the progressive nature of the personal income tax on one hand and the granting of subsidies to businesses on the other hand.

The corporation profits tux, which is an ability-to-pay
tax, results in the most efficient of corporations being penalized by
having to pay more than their fair share of the tax burden while
inefficient and unprofitable companies are subsidized by being provided
with government services at no cost.

The progressive personal income tax, also an ability-topay tax, has the effect of sufficiently reducing the incentives of potentially productive individuals as to result in a reduced level of economic activity.

The municipal property tax, which is an ability-to-pay tax in that it taxes mainly improvements, has a well-known discouraging effect on man's willingness to improve his properties, while at the same time it provides an important incentive for the owners of land to hold it out of use for speculative purposes, thus adding considerably to the cost not only of land but also of housing.

It is recommended that the Special Senate Committee on Poverty give careful consideration to requesting the Government to have a study made of the role that benefits doctrine taxes might play in the development of an economic system in which the energies and abilities of individuals might be used to the maximum extent to produce a level of economic activity that will not only eliminate much of the poverty that exists under the present system but which will also support a higher level of social security measures. Such a study would seem to be opportune inasmuch as the Government itself is implementing a cost benefits approach to the allocation of resources within its own departments, as recommended by the Glassco Commission. It is also essential that such a study be carried out because of the failure of the Carter Commission and the Government to make such a study before completing their proposals for tax reform.

There follows an outline of various benefits doctrine taxes which would have the effect of raising considerable funds for the financing of government activities while at the same time providing a minimum of interference with the free workings of market forces:

### A Benefits Approach to Taxation for a More Productive Economy

There are two main approaches to taxation. The first is the "benefits" approach under which taxes are treated as payment for services provided by the government. The second is the "ability-to-pay" approach under which taxes are apportioned according to the taxpayers' ability to pay.

The "benefits" approach, which ensures that those who benefit from government services will pay their fair share of the costs of such services, respects property rights and respects as well the rights of individuals and business enterprises to determine the atlocation of wealth through the free workings of economic market forces. This approach is basic to the operation of a free enterprise economic system.

The "ability-to-pay" approach, which disregards property rights and disregards also the rights of individuals and business enterprises to determine the allocation of wealth, provides the government with the power to redistribute wealth as it may see fit. This approach is basic to the operation of a state-controlled economic system.

Canada has developed during this century an exceedingly complex economy and in order to finance the operations of the various levels of government, there has been developed a taxation system of even greater complexity. Tax economists have found it much easier to develop a tax structure based on the ability-to-pay approach, for this fits neatly into the modern idea that governments should play a more important part in directing economic activities in view of the fact that economists believe the free enterprise system has failed to produce a just and equitable society. Little thought has been given by such economists to the possibility that the tax system has hampered the free enterprise system and prevented it from operating in an efficient manner.

A further reason why economists generally have avoided the benefits approach to taxation is that they cannot conceive how a benefits system might be applied for they have given little thought to this form of taxation and also are lacking generally in practical knowledge of how day to day business operates. The Canadian Royal Commission on Taxation in its report in 1966 lightly dismissed the benefits approach to taxation

stating that it had very serious practical and theoretical deficiencies, but it failed to enter into a discussion of such deficiencies.

The purpose of this submission is to outline briefly a proposed system of taxation based on the benefits approach that could be applied in such a way as to safeguard the property rights of individuals and business enterprises while ensuring the continuance of a free enterprise system. It would permit individuals and business enterprises through the operation of the market place to play a more important role in the allocation of wealth and thus ensure not only a high level of economic activity but also an equitable distribution of the wealth produced.

The various levels of government provide a great variety of services that must be paid for and thus we shall assume that taxes are essential. The benefits systems of taxation that we are about to propose will include a federal tax on personal incomes on a flat and relatively low rate basis, a relatively low rate of federal tax on the costs of business enterprises rather than on their profits, and municipal property taxation based on land values rather than on improvements.

Federal and provincial governments provide many services that are essential to the well-being of individuals and it is reasonable that individuals should pay for such services. Such payment could be provided by lower rates of taxation than are now employed but with a fixed or flat rate system rather than a progressive rate system. All individuals employed in economic activity might pay taxes on earned income (after allowing for reasonable exemptions) at, say, a 20% rate. Persons would thus pay income taxes in relation to the size of their incomes but not at progressively increasing rates. It is most difficult to determine the extent to which each individual benefits from federal and provincial government services. Lacking a precise measure of the value of such benefits, it may be a fairly reasonable assumption that generally speaking the level of a person's income :will provide a rough measure of the benefits, including education, that he will have received from the availability of government services.

Business enterprises also benefit to a considerable extent from the operations of the federal and provincial governments and thus it is reasonable that they should pay their fair share of the costs of such

services. It is also reasonable that such taxes should be considered a cost of doing business and should be added to all other business costs. It is unfair to tax businesses on their profits for this has the effect of penalizing the most efficient businesses and subsidizing the least efficient. A more equitable way to prorate the costs of government services to businesses is in relation to their costs of production rather than their profits. However, in determining the amount of taxes payable, only those costs of production that are related to the value added by any business enterprise should be considered. Thus a business enterprise might be taxed on its total costs after deducting the costs of goods and services the enterprise has purchased from other businesses that have already paid taxes. It is proposed therefore that business enterprises should pay a tax based on their value added at cost prices. Such a tax, which might be as low as 5%, would provide that all businesses would pay their fair share of the costs of government services, but no more than their share. The imposition of such a tax would provide an important incentive to increase profits, for these would no longer be taxed, and would also provide an incentive to reduce costs for this would have the effect of reducing tax liabilities. The role of profits not only as an incentive to produce but also as a measurement of business efficiency would be considerably enhanced for there would no longer be tax advantages from understating them.

The residents of any municipality, whether individuals or business enterprises, benefit from a multitude of services provided by the municipality. It is reasonable that such services be paid for by those who receive such benefits. An equitable way to raise taxes to cover the costs of such services is to apply the municipal property tax to the value of the land being used rather than to the value of the improvements that have been placed upon the land. As land owes its value to the existence of the municipality and the services it renders, the taxing of such land values would allocate the costs of such services equitably to those benefitting from them. At the same time, it would remove the incentive that presently exists for property owners to speculate in land values and particularly to hold land out of use

with a view to benefitting from the increased values created by the municipality. Removal of the speculative value of land would go a long way towards reducing the high cost of land and particularly the high cost of housing which is influenced considerably by rising land values.

29-10-1970

The reorganization of the tax system to provide for the application of a benefits approach to taxation to include a low and constant rate of tax on personal incomes, a tax on business costs related to value added, and a land value tax for the raising of municipal government revenues, would produce for the governments concerned considerably more tax revenues than are being produced by current tax systems based on the ability-to-pay approach. As government revenues under a benefits system would be more readily predictable and thus easier to forecast, the budgetary problems of governments would be simplified for it would then be considerably easier to relate expenditures to anticipated revenues.

The tax proposals above, if implemented, would have so many important implications for the workings of the economy that it is impossible to refer to them in the space allotted to this effort.

There would be important implications for the role of the financial markets and the part they play in the allocation of incomes and savings, for the efficiency of the stock and bond markets, for the effectiveness of monetary policy in its role of combatting inflationary pressures, and most importantly for the harnessing of the iniatives and enterprising abilities of individuals, and generally for the operation of a viable and efficient economy based on the free enterprise system and capable of producing far greater wealth at lower cost.

It is through improving the efficiency of the economy as a whole that the greatest progress will be made towards removing the conditions that breed poverty. High levels of economic activity would not only remove most of the basic causes of poverty but would also permit us to afford more easily the social security measures that are so important for general well being.

APPENDIX "B"

# SUBMISSION TO THE SPECIAL SENATE COMMITTEE ON POVERTY BY

## BELL CANADA

This memorandum is submitted to the Special Senate Committee on poverty to outline Bell Canada's part in rehabilitative programs at Leclerc Institute, Montreal and at Collins Bay Penitentiary, Kingston. The Leclerc program was proposed to the Institute by the Montreal Chapter of the Data Processing Management Association. The Collins Bay project presents our participation in the Canadian Penitentiary Services Vocational Training programs. This report briefly outlines each program, how and why each was created and the effectiveness of each to date. The Appendix is added to describe the various problems encountered and to include some recommendations and conclusions.

## LECLERC INSTITUTE

Bell Canada's participation in the rehabilitation program for penitentiary inmates at Leclerc Institute was fostered by Bell employees who are members of the Data Processing Management Association. This Association is an international, non-profit organization dedicated to promote professionalism in data-processing. When the training program was proposed to Leclerc officials by Data Processing Management Association in the summer of 1968, a Bell employee, H.M. Kunkel, was president of the Montreal Chapter of the Association. The Bell Canada group within the Association conceived, developed and conducted the training program.

The main objectives of the program were to provide the inmate with the opportunity to develop skills in a profession which would provide him with a challenging and interesting career, an adequate income and a secure future.

While developing the trainee to a high degree of competence in technical, managerial and social skills, direct dialogue with the business world would be established; the trainee would in this way be prepared for future employment.

In addition the program would aim at giving the student a sense of personal worth, which would restore his self-confidence, thus lending meaning and purpose to his activities in prison, and would create in him a positive attitude towards society.

To meet these objectives, the group determined the following requirements:

- that instructors selected would not only have teaching

- skills, but be of a high calibre in technical knowledge and background.
- that the training program would be carried out in the same professional manner, as a regular training course in the business field.
- that high standards of measurement would be set for the students in the technical and managerial fields, so that these measurements would become both a present challenge and a future criteria for them.
- that the training course would be planned to meet the educational level of inmates who have grade 10 or higher education.
- that the Data Processing Management Association would be actively committed to provide for eventual placement of the graduates:

Prior to the start of the course advance notices were circulated informing inmates of Leclerc Institute that an introductory session would be held, at which members of the training group would define the program and its objectives.

From this audience of 55 inmates, 45 applications were received. Data processing aptitude tests were then given and personal pre-employment interviews were conducted by the instructors. As a result, 23 students were selected to follow the training program.

The course was designed in two parts covering a total of 7 months. The first half commenced in October 1968. During the first term, the students received training in IBM's Computer System Fundamentals, supplemented by lectures and other material designed by the

group. This part of the course was planned with a view to recognizing the potential of the trainees. And, successful completion of the first term work was a prerequisite towards proceeding with the second term of more advanced instruction. For the first part of the course, students studied in their evening recreation time. This part was concluded in December 1968, with 10 students able to proceed to the second term.

The Leclerc officials permitted the 10 successful students to spend full time on the program and were given a separate "wing" for work and living accommodation.

The second term started in January 1969, and in this term students were exposed to actual programming and more advanced subjects, supplemented by lectures.

In March, the students visited two Bell Canada Computer Centres. This visit was the first time inmates of a penitentiary in Canada were permitted to spend time "working" outside in the business field. The penitentiary officials, having followed the program closely, were convinced that these 10 students were ready for their first journey "outside". It also seemed logical to the Institute that the students should have the opportunity to become familiar with sophisticated data-processing equipment, its capabilities and its actual operation.

Graduation ceremonies were held at the Institute in April. Seven of the 10 students received diplomas certifying them as programmers recognized by the Data Processing Management Association. All seven were hired by private industry and are still working as programmers. Average salary of \$475 per month has jumped during the year to \$575 a month. Three of the students engaged by Bell and one who joined Northern Electric, give every indication of becoming successful, career employees.

In its second year of operation, from October 1969 to
May 1970, Bell Canada employees were again asked to take charge of the
course for the Data Processing Management Association. The same
program was followed and eight graduates successfully completed the
course and received certificates. By mid-July six had been hired by
private industry. Despite the present employment picture, even for
qualified programmers, the remaining two should be placed shortly.

In view of these results, the Solicitor General's Department decided to fund the program with \$5,000, to be administered by the Leclerc Institute and Data Processing Management Association.

The fund will be used to pay for computer time rentals, key punch rentals, acquisition of supplies and material and other administrative expenses.

The program also received recognition from the Duvernay Regional School Board. Its permanent education branch issued certificates to all graduates for 1,300 hours of technical studies.

It is conservatively estimated that the taxpayer has been saved well over \$100,000 since these 13 men began work, and have been earning their own money - and, paying taxes.

More than a dozen Bell employees have been directly involved in the program during the two years of operation. Supplies and training material were contributed by IBM, Univac and Bell Canada. Computer time was given by both Bell Canada and Uniroyal in the first year of operation. Co-operation of Leclerc Institute officials and the Parole Board, so necessary to the successful outcome of the project, was most generous, with each willing to set precedent when necessary to assist the program.

The course will be given again this fall and winter.

## COLLINS BAY PENITENTIARY

In the fall of 1969, Canadian Penitentiary Services personnel, concerned with the rehabilitation and vocational training of prison inmates, visited Bell Canada's Plant training centres in Montreal. The purpose of these visits was to determine where and how Bell's vocational training competence could best help the penitentiary services.

Bell Plant Training people had previously toured several penitentiaries to evaluate the penitentiary training environment and its related problems. It was noted that some vocational training schools in penitentiaries teach such trades as welding, carpentry, sheet metal work, electrical wiring and so forth. One penitentiary, Collins Bay Kingston, Ontario, had an Electrical Vocational Training Shop that was in the process of developing electronic training. From this base, Bell proposed an electronic training program and a pilot course in electronic theory using current industrial training methods.

By reorganizing this centre, the inmate would be given
a wider scope and have a better opportunity when entering the broad
employment market. In addition he would have a sound base for future
studies in related fields, such as computer or communication maintenance.

The method of tuition selected was Programmed Instruction (P.I.); this method was considered more suitable to the prison environment than the traditional lecture type instruction. Programmed Instruction combines sequential, step-by-step presentation of small amounts of material with self-instruction techniques. With P.I. each student paces himself according to his needs and abilities.

This type of instruction seemed particularly suitable for a student body which is continually changing, with arrival and departure

of inmates difficult to control, and where the formal academic ability ranges from grade 6 through 13.

Although using the same methods and materials as in Bell Training Centres, the program at Collins Bay was made more comprehensive to meet the demands of a wide variety of potential employers.

As well as planning the instruction program, Bell Canada has loaned all the hardware necessary to run a Programmed Instruction centre, such as electronic films, film projector, screen, test instruments, training aids and all associated student manuals. And, about eight Bell employees were directly involved with the project.

The curriculum was co-ordinated with the Ontario Colleges of Applied Arts & Technology (CAAT), particularly George Brown College in Toronto, St. Lawrence College in Kingston, and the Canada Manpower Department. This enables those taking the course to continue training from any of a number of achievement levels or to enter any electronic speciality for which they are qualified either on release or by means of day parole. For example, one trainee is going directly into second year of a two year Electronic Technicians Training course in one of the above mentioned colleges.

The original plan presented to the Penitentiary Services was a three phase program:

- 1 Immediate assistance for the Electronics Course.
- 2 Expand Programmed Instruction into the related vocational centres, if phase one proved successful.
- 3 Invite other industries to join Bell Canada in the venture and create an industrial vocational committee to continually assist the Penitentiary Services in vocational training.

Phase 1 - (which began early February 1970) of the 11 inmates who started the pilot course 6 are still participating. (There have been no graduates yet).

Phase 2 - has already started at the request of the Collins Bay instructional staff.

Phase 3 - has not yet been implemented. Further evaluation of the program is continuing.

The support of all levels of the Penitentiary Services has been encouraging and effective and a penitentiary psychologist is assisting with the evaluation of the program.

# APPENDIX

Although, as described in the submission, Bell Canada was involved with both the Leclerc Institute and Collins Bay programs, these programs were not the result of a specific Company Rehabilitation policy as such. One project was not locked in with the other, as is evident by the separate accounts submitted.

The Leclerc program originated when the Montreal
Chapter of the Data Processing Management Association became aware
that the U.S. had similar programs in operation in penitentiaries in
several States. After some research, the decision to design and offer
a program to the Leclerc Institute was taken. The Collins Bay project
on the other hand, could be said to have received its impetus at the
Leclerc Institute graduation ceremony, when a prison official asked
Bell Canada's president, R.C. Scrivener, one of the guest speakers,
if the Company did not have training courses for splicers, and so forth,
which could be adapted to prison rehabilitation training. It was agreed that
Bell's Plant Training School did have a number of courses which could
possibly be modified to suit prison vocational training. In effect, this
was the Company's initial approach by penitentiary personnel.

For each project, however, the problems encountered, the future application of the programs, the conclusions and recommendations are seen to be quite disparate.

THE LECLERC PROJECT

# Problems

Consistent with the objectives as outlined in the foregoing text, the Data Processing Management Association set out immediately to endeavour to convince Business, the Government and other individuals

to become active participants in programs of this type. The results were discouraging and this became a continuous problem. There was always encouragement from those aware of the program but a failure to become involved, lack of commitment and obvious apathy.

A few examples will serve to illustrate the lack of involvement:

- Three hundred people were contacted and asked to volunteer in the program four people replied and each expected a stipend.
- An appeal to forty companies at a General Meeting, for the use of computer facilities, brought no response until the president of the Data Processing Management Association, Mr. Kunkel, made a personal and direct request.
- Fifty-five business firms were extended personal invitations to review the program and assist with the placement of graduates only fifteen replied.
- On 25 March 1969, sixty companies were invited to visit Leclerc to review the program and meet the trainees twenty-two companies were represented by thirty-seven people. At this meeting a questionnaire was distributed to these thirty-seven people, asking for an analysis of the program and an indication of their willingness to participate in the placement of graduates. To date only four replies have been received.

Generally speaking, business is willing to contribute material resources when approached directly to support the rehabilitation programs but the availability of human resources and the offer of equal opportunity is limited.

The Institute itself was very cooperative and willing to set precedent, but poor in technical facilities, manpower and economic resources. Rehabilitation in institutions such as Leclerc is primarily directed towards the manual trades. And, the manual trades are not sufficiently challenging to individuals of above average intellect. In the 'pre-testing' part of the program, a number of inmates scored above average or superior intelligence.

### Conclusions

Students were considered to be capable, competitive, motivated, determined, sincere, and demonstrated individual effort as well as team effort. The students sought the opportunity and when it was granted, proved themselves competent.

The Data Processing Management Association stresses that the students require not only the planned courses but also, they need to be given hope and confidence in their own social skills. These things too, the program is trying to bring about.

Finally the Data Processing Management Association views the Leclerc program as only the start and specifically recommends that a working committee, under a joint Government-Business chairmanship, be established immediately with representation from Government, Business, Rehabilitation Agencies, Educational Authorities and Professional Associations.

The Committee would be charged with:

- formalizing and accrediting the program
- obtaining funds and grants
- obtaining and installing computer facilities in the prison
- providing course material

- implementation of formal programs in institutions
- development of a plan for expansion of the program to other institutions
- expansion of the course to include computer operation
- establish a channel for Data Processing work from tax supported agencies
- establish supportive services for the graduate in his new job, including essential follow-up counselling and bonding guarantees.

#### THE COLLINS BAY PROJECT

# Problems

Bell Canada Plant Training people in developing the pilot Electronic Theory Course and in initiating the Programmed Instruction Technique, met with a number of difficulties in the various stages.

Prison organization is an established one tending to be rigid and not always willing to cope with changes, new ideas and concepts. "Time" in a prison environment is of little consequence. Learning speed was ignored until the importance of this skill was discussed with the Toronto Department of Education.

The economic resources or Budget presented the problem of overspending. For example, in Programmed Training, piped music is recommended for masking distracting sounds; a great deal of time and effort was expended convincing prison people of this necessity.

In addition, the prison environment and organizational structure were factors which impeded the prison staff from making the day-to-day decisions which were considered essential in a developing program of this kind.

### Conclusions

Although the course was first started with a student body whose formal academic ranges were from grade 6 through 13, it was revealed that students up to at least grade 9 found reading and reading comprehension difficult. The course would in some stages have to be modified for any academic standard.

In spite of the initial problems, the Penitentiary people were convinced of the effectiveness of the Programmed Training

Technique and would like to use this Programmed Instruction format in all their related vocational training courses. For example, carpentry, welding, sheet metal work, and other courses where Programmed Instruction could be used to teach the mathematics required.

Although a certain quota of enthusiasm and ambition was displayed during the course, Bell Plant people suggest that prison officials be concerned about social skill training, side-by-side with the vocational preparation. The trainee would then have an equal opportunity when approaching the employment market.

Consideration could be given to using Collins Bay as a model training school in the Programmed Training Technique for other penitentiaries and institutions. To evaluate the results however, a trainee would have to be followed-up. This is a difficult pattern to set, as many released prisoners want to cut prison ties. This last consideration would, of course, come under the Canadian Penitentiary Services judgment and jurisdiction.

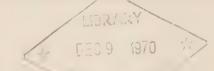




Third Session—Twenty-eighth Parliament
1970

### THE SENATE OF CANADA

PROCEEDINGS OF THE SPECIAL SENATE COMMITTEE ON



# POVERTY

The Honourable DAVID A. CROLL, Chairman

No. 8

TUESDAY, NOVEMBER 3, 1970

## MEMBERS OF THE SPECIAL SENATE COMMITTEE ON POVERTY

The Honourable David A. Croll, Chairman

The Honourable Senators:

Bélisle Hastings Carter Inman Connolly (Halifax North) Lefrançois

CookMacDonald (Queens)CrollMcGrandEudesPearsonEverettQuartFergussonRoebuck

Sparrow

Fournier (Madawaska-

Restigouche, Deputy Chairman)

(18 Members)

(Quorum 6)

#### Orders of Reference

Extract from the Minutes of the Proceedings of the Senate, Thursday, October 8, 1970:

With leave of the Senate,

The Honourable Senator Croll moved, seconded by the Honourable Senator Fergusson:

That a Special Committee of the Senate be appointed to investigate and report upon all aspects of poverty in Canada, whether urban, rural, regional or otherwise, to define and elucidate the problem of poverty in Canada, and to recommend appropriate action to ensure the establishment of a more effective structure of remedial measures;

That the Committee have power to engage the services of such counsel, staff and technical advisors as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, and to report from time to time;

That the Committee be authorized to print such papers and evidence from day to day as may be ordered by the Committee, to adjourn from place to place, and notwithstanding Rule 76 (4), to sit during sittings and adjournments of the Senate;

That the evidence taken on the subject during the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Bélisle, Carter, Connolly (Halifax North), Cook, Croll, Eudes, Everett, Fergusson, Fournier (Madawaska-Restigouche), Hastings, Inman, Lefrançois, MacDonald (Queens), McGrand, Pearson, Quart, Roebuck and Sparrow.

After debate, and—
The question being put on the motion, it was—
Resolved in the affirmative.

ROBERT FORTIER, Clerk of the Senate.

## Minutes of Proceedings

Tuesday, November 3, 1970.

Pursuant to adjournment and notice the Special Senate Committee on Poverty met this day at 9.30 a.m.

Present: The Honourable Senators: Croll (Chairman), Carter, Connolly (Halifax North), Fergusson, Fournier (Madawaska-Restigouche), Hastings, Inman, McGrand. (8)

In attendance: Mr. Frederick J. Joyce.

'The following witnesses were heard:

Canadian Labour Congress:

Mr. Jean Beaudry, Executive Vice-President;

Mr. Andy Andras, Director Department of Legislation and Government Employees Department;

Mr. Russell Bell, Research Director;

Mr. Pat Kirwin, Assistant Director, Social Community Programs Department.

Brief submitted by the Canadian Labour Congress was ordered to be printed as Appendix "A".

At 12.30 p.m. the Committee adjourned until Wednesday, November 4, 1970, at 9.30 a.m.

ATTEST:

Georges A. Coderre, Clerk of the Committee.

## The Special Senate Committee on Poverty

#### Evidence

Ottawa, Tuesday, November 3, 1970

[Text]

The Special Senate Committee on Poverty met this day at 9.30 a.m.

Senator David A. Croll (Chairman) in the Chair.

The Chairman: Honourable senators, we have here today representatives of the Canadian Labour Congress. On my immediate right is Mr. Jean Beaudry, Executive Vice-President, whose biography you have. Next to him is Mr. Andy Andras, Director of the Department of Legislation, Government Employees; Mr. Russell Bell, Director of Research Department, who is also very well known to you, and Mr. Pat Kerwin, Social and community Programs Department, Canadian Labour Congress.

These are all well known and distinguished gentlemen. Mr. Beaudry will start by giving a short summary of the brief which has been presented.

[Translation]

Mr. Jean Beaudry, Executive Vice President, Canadian Labour Congress: Mr. Chairman, members of the Special Senate Committee on Poverty, I wish to assure you that on behalf of the 2,650,000 members that we represent across Canada, it gives us very great pleasure to have the opportunity to discuss with you this morning problems concerning poverty in Canada.

We are fully aware—you certainly could notice it from reading our brief-we are fully aware that for nearly two years you have received a series of briefs and representations of all sorts. They are the basic reason for our having prepared an extremely detailed 500 to 600 page document since we believe that actually you have in your possession today a series of documents and briefs which give a mass of details which we need not add to in presenting our brief. There is one thing I would like to say, however, and that is that it is extremely unfortunate, and we apologize for it, that it was impossible for us to obtain a French translation for this morning because our translators were not able to provide it in time. In any event, as soon as it reaches us, Mr. Chairman, I shall send you some fifteen copies, as well as to your committee for the benefit of the French-speaking members.

Naturally we believe that the work of your committee is extremely important and that the role it has to play is to enlighten the government on future bills which will deal with poverty in Canada. There is no doubt that the majority of the Members of Parliament recognize that the problem of poverty has become very serious; it is no longer a question of discussing thousands of persons, or families, who live in a situation that is lower than the recognized or established standard. We discuss them even

in our brief; there are vast numbers of people who live in misery. There definitely are opportunities in a country like ours. We are supposed to be in an affluent country. We must find the means for eliminating poverty.

During the course of our presentation, Mr. Chairman, we have tackled several subjects which we believe are extremely important. We feel that they are subjects over which you will feel concern since we believe that they are probably the way to eliminate poverty in Canada, if such is possible.

We have divided our brief into questions dealing with health, housing, the aged, the have-nots, and finally, we referred to several other fields. There are topics that we discussed in greater detail. We hope that during the discussion you will have questions to ask us in order to clarify our position on several of those topics.

We believe, however, that in the present context we are presenting something new, something of value, which is a policy of our organization, and that is, a guaranteed annual income. In that field, several ideas have been advanced over the years which we are tackling more specifically today. It is extremely important, we believe, to regard it in a context where it would not be necessary to contend that this is going to be at odds with a major part of the social legislation existing in Canada at the present time. One should not think that it is necessary to eliminate, just because such legislation is contemplated, that it would depart from certain social security measures that exist and that are extremely important for Canadians and their families. Therefore, on that basis, we believe that we have been fairly specific in certain areas of social security, and at that time, we believe that a guaranteed annual income, a guaranteed annual income formula, could easily replace several existing social security measures. On the other hand, there are certain security measures, as we explained, such as the Canada pension and the Quebec pension, unemployment insurance and certain other social benefits existing in Canada which should not be meddled with, but simply improved, with, if you like, a guaranteed annual income. In this way we believe that it would eventually be possible to eliminate a large portion of the poverty that exists in the country.

Now, for more details on what has been prepared by our research department, I turn the discussion over to my colleagues Andras and Russell Bell. In addition to details, they will give you, if you like, the content, the reasons and the motives which led the Canadian Labour Congress to present a brief to you in this form, as well as the basic reasons why we believe that it is feasible for your committee to present legislation in this connection to the government. After all, since the founding of the Congress 16 years ago, and of other congresses before that, we have for many years been concerned with the

problem of the poor. We have, within ten provincial federations numerous committees in all the Canadian communities, recognized by the Labour Congress. We are seriously concerned with the problem of poverty. We believe that we represent that class of society. It is for those reasons that we believe that it is extremely important that such legislation be presented to the government by your committee in order to finally achieve certain social objectives which are basic to Canadian society.

[Text]

The Chairman: Mr. Andras, is there anything you wish to add?

Mr. Andy Andras, Director, Department of Legislation, Government Employees, Canadian Labour Congress: Mr. Beaudry has outlined our position in very broad terms, and I think it would be just as well now if we were simply to reply to any questions honourable senators wish to ask.

Senator Fournier: Mr. Chairman, I have read this brief a couple of times. I find it has a lot of material in it. I must say that we are facing people who know a great deal about poverty, employment, unemployment and so on.

In order to start things off I have three basic questions I should like to ask. On page 3 of your brief there is one point I should like you to expand on a little. You say:

While poverty in Canada has been regarded only in recent years as a political question, i.e., something to be seriously considered and acted upon by governments, the literature on this subject has been abundant over a long period of time.

What exactly do you mean by "political question"?

Mr. Russell Bell, Director of Research Department, Canadian Labour Congress: What we intended, sir, by that particular reference is the fact that in both Canada and the United States poverty has been taken much more seriously in the last few years, as something to be dealt with quite seriously by governments, whereas up until a number of years ago the whole question of poverty, in term of the broad problem, had been to a very large extent the subject of discussion by so-called experts and had been the subject of much writing by social scientists. But in the last six or seven years, approximately, there have been definite indications on the part of governments that this is a very serious problem and one which should be tackled. I think, sir, the appointment of your Special Senate Committee on Poverty is an example, as a matter of fact, of a much more serious intent on the part of Government to deal with this particular problem,

Senator Fournier: Do you think the appointment of this committee is a political question?

Mr. Bell: I did not mean to imply anything particular by the use of the word "political". That word is used here in a very broad context. It really means something that will come under and has come under the serious attention of government.

Senator Fournier: I understand. On page 4, in the second line, you use the words "to enjoy a decent standard of living". What do you call a decent standard of living? Can you draw a line for what a decent standard of living is?

Mr. Andras: We deal with that elsewhere in the brief, Senator. We describe it further on in the brief on page 8. I would refer you to the last paragraph of that page for the description of our concept of a decent standard of living. Broadly speaking we say that a decent standard of living means, in effect, all the things, all the goods and services and opportunities that make for a good life, and, in fact, we quote from Dr. A. J. Altmeyer, who was the first director of social security in the United States back in 1935. He said, and I am quoting from our own brief here:

"In its widest sense, social security is a general term which includes all the good things of life, good health, education and housing, full employment, and a sufficient income to provide a satisfactory standard of living."

By and large if we induce it to a more restrictive definition, we mean by a decent standard of living a standard which is sufficient to preserve a person or a family in good health, and to help that family to maintain its self-respect.

Senator Fournier: Again this is a very broad definition. You mentioned the "good things of life" and we are back again where we started. What are the good things of life?

Mr. Andras: It is really a package, as it were, of goods and services. It amounts to this ideally, as we mentioned in our brief, and it is an ideal which we think is capable of attainment that those who are able to work should be able to have jobs at which they would earn good wages so that they could be economically self-rel ant. They should earn enough, or if they are not capable of working, they should receive enough income and services to have proper shelter, enough good food, clothing, some degree of recreation and all the other things necessary for them to live like other citizens who are more fortunate.

Senator Connolly: What would you do with those who are able to work and do not want to work?

Mr. Andras: There are, senator, in our experience, a relatively small number of those. I know we have them in our society; we can see them; I have seen them myself.

Senator Connolly: We all have.

Mr. Andras: I have seen them on skid row in Vancouver and in other places. I would put it to you that these people are in a very large measure the victims of a society which has not offered opportunities and we have

to accept them as such. We have to direct our efforts at social and vocational rehabilitation to the extent that that is possible and learn to live with it. Our own experience leads us to believe that the vast majority of Canadians who are classified as poor want to improve their conditions and would do so if given the opportunity.

Senator Connolly: I agree with you, but I wish you would not use the phrase "victims of a system". They are victims of something that they themselves lack. Do you agree?

Mr. Andras: I do not agree with you entirely, with respect, sir. I agree there are many different kinds of people and we all suffer from original sin.

Senator Connolly: That is a matter of dispute.

Mr. Andras: Well, I am blameless personally, but there are others who are not as fortunate as myself, and there are people who have a greater amount of evil in them than good, and they respond accordingly. I think people respond in terms of their character to the society in which they find themselves, and if society denies them opportunity, or incentive or what have you, then they respond in kind. I think we must face up to that as a consequence of poverty of long duration.

Senator Connolly: Now you are talking about two things; you are talking about this small segment, and I admit it is a small segment, and you are also talking about full employment. If these people refuse to take advantage of full employment, what are we going to do then? Become social workers?

Mr. Andras: You and I, sir, recall the second world war from personal experience, and I do not of necessity mean in any military sense, but simply from having been around at that time as mature people. I went through the depression personally—it was my introduction to adult life—and I saw a long period of time from 1930 to 1941 of large-scale unemployment. I remember in 1933 one out of four able-bodied adults was unemployed. Then the war came along, and after that Dunkirk when the war changed from being a cold war to a hot war, and I was living in Ottawa and working here, and I recall very vividly how the labour market which was full of redundant and unwanted people suddenly became tight and people who hitherto had been considered not merely unemployed but actually unemployable entered the labour market and the labour market was glad to receive them. I put it to you, senator, that if we bring about a situation at the present time where labour becomes a scarce commodity, as it is not, then a great many of these people who, I think, you are inferring are not willing to work, would find work attractive. I grant you there would still be those on the periphery who are so far gone in demoralization, if I might call it that, that they are not going to seek work, but I put it to you that that is a minute proportion of the population.

Senator Connolly: I do not disagree with that and I am not at odds with you, but I am asking what we are going to do with that minute number of people.

Mr. Andras: Well, sir, in this country we do not advocate euthanasia and we do not let people die on the sidewalks. We simply have to face up to the fact that we have to enable these people to live at a minimum standard of living.

Senator Connolly: Now stop your generalities and be specific

Mr. Andras: I cannot justify it to you in terms of dollars. This is something that appertains to people who are more expert than I am in what quantity of goods is necessary to keep a man or woman alive.

Senator Connolly: You are very adept with words, but you have done a lot of thinking on this thing as I have. Tell me what we are going to do.

Mr. Andras: I suspect you are going to do what you are doing now; you are going to give these people enough income to get by.

Senator Connolly: You mean welfare?

Mr. Andras: Call it welfare if you wish.

Senator Connol'y: What do you call it?

Mr. Andras: It all depends on their age and their circumstances. Some of them get benefits as of right if they are old enough.

Senator Connolly: If we instituted a minimum wage or a minimum annual income next week at, say, \$4,400, how long would the people of Canada be satisfied with that?

Mr. Andras: With the \$4,400 or the system?

Senator Connolly: What do you mean?

Mr. Andras: I wanted to clear up what is to me an ambiguity, senator. Do you mean how long would they be satisfied with the \$4,400 or how long would the people of Canada be satisfied with such a program?

Senator Connolly: How long would the people of Canada receiving a guaranteed annual income be satisfied with the amount at which it was fixed, forgetting about the actual figures?

Mr. Andras: A relatively short period of time.

Senator Connolly: And then they would want more?

Mr. Andras: That is right.

Senator Connolly: And still more, and still more again and it would follow the path of all social legislation that has ever been introduced.

Mr. Andras: Well, I would put it this way to you; I think we must beware of taking a simplistic approach to it. If we are going to rely on welfare payments alone, then we are in a dilemma from which we can never emerge, and that is why our brief emphasizes the importance in the first instance of seeking to establish and maintain an economy of full employment. To us the guaranteed annual income to which you are referring,

Poverty

senator, is a back-stop, as it were. There are those who cannot support themselves. Take the deserted wife, for example, the person who is physically or mentally disabled, the older person who is too old to work, the family rearing a large number of children. But by and large we look to a society and to an economy based on full employment because with a full employment economy you can then provide these social measures to take care of those who are the victims, no matter what. I am not using the word "victims" loosely. They are victims of circumstances, if you wish, in that they are hurt or disabled or they are deficient intellectually, mentally or physically—whatever way you want to look at it.

Senator Connolly: I agree with you completely about full employment. That is the answer, is it not?

Senator Fournier: I have one more question, and then I will allow it to pass to others. Let me say I did enjoy the discussions brought about by Senator Connolly, but we could carry on this argument all day.

On page 4 of your brief you mention "a deplorable lack of information about the labour market, discouragement and frustration from repeated rejections in seeking employment and poor health". Let us leave the poor health out. This is at the bottom of page 4, the last paragraph—"deplorable lack of information about the labour market." Do not we have in Canada, under Manpower, unemployment offices across Canada with a wide knowledge of vacancies and employment facilities?

Mr. Andras: No.

Senator Fournier: We do not?

Mr. Andras: Let us try and divide the answer up between Mr. Bell and myself, if I may, Senator Fournier. Let me talk about the piece that I know, the small part. Mr. Bell is more expert on labour and manpower policies.

We have Canada Manpower centres across Canada. These are the heirs of the National Employment Service which existed up to a few years ago under the jurisdiction of the Unemployment Insurance Commission. They are essentially placement centres; this is their function. Their problem—and I put it as a problem and not as a criticism, I want to make that clear-is that they are unable to achieve a large measure of penetration, as they call it. By "penetration," I mean their opportunity to reach out into the community of employers seeking employees and employees seeking jobs. As a result of that, their awareness of the labour market in their own communities across Canada is not as good as it ought to be. In this respect I think the deficiency is not so much with the manpower centres as it is with our manpower policies as a broad generality.

Senator Fournier: I quite disagree with what you are saying at the moment, because I live in a small community where we have one large employer. This company cannot hire any help unless it gets it through Manpower.

Mr. Andras: This may be so, but this would not be true in a community like Toronto, for example, or Mont-

real, a large metropolitan area where you have thousands and thousands of employers and 50, 60 or 200 industries.

In those situations the unfortunate position is that the Manpower centres are not made aware of the extent to which there are vacancies, because a large number of employers—I would say the majority of employers—use other resources than Canada Manpower centres to find their own employees when they have vacancies. They have private employment agencies. They hire at the factory gate. They hire through a hiring hall. They hire through the advertising media, through newspapers—a great variety of ways. There are certain occupations that are probably never hired through the Manpower centres at all. It is only recently, for example, that the Government of Canada began using the Manpower centres more extensively.

Senator Inman: Mr. Andras, do you consider that the welfare system has anything to do with unemployment? Like Senator Fournier, I come from a small place and I know some of our employers try hard to get seasonal employees, but on account of people being afraid to go out of the welfare system they find it difficult. If the system were changed, whereby they could earn more money than being on welfare, that might be a solution.

Mr. Andras: My experience in that respect is somewhat limited, but I can appreciate the problem. There is a dual problem, as I understand it. On the one hand, they are afraid of going off the rolls and having to get on again. The other is a problem, I suspect, that is one for the employer as well as for the welfare beneficiary, and that is the rate of pay—and this would be true, say, of the Atlantic provinces or some other place like that. If the rate of pay is less than or just about equal to the welfare payments, there is very little incentive to seek employment.

Furthermore, if a person is on welfare and is able to get casual employment, the "tax" of it, as it were, to be deprived of welfare because one has had enough motivation to go and get work, is to be penalized. I think this is a regressive feature of our assistance program.

The Chairman: Go ahead, continue and answer her question. You have done very well up to a point, but the real question that Senator Inman asked you was: How do we change the system? That is what she wants to know.

Mr. Andras: That is rather more difficult. It is easier for me to skate around.

Mr. Bell: Quit being a politician, Andy!

Mr. Andras: I want to assure Senator Fournier that the word "political" is not used in any disparaging sense. In my opinion, the politician is the most valuable member we have in our society and does our dirty work for us.

Senator Hastings: Thank you.

Mr. Andras: Coming back to Senator Inman's question, we could deal with it in terms of the Canada Assistance Act for instance, which is our social assistance program,

through federal grants in aid. I think we have to deal with it in broader terms. It is a very complex problem. If we maintain people at certain rates of income, and if wage rates are not any higher, then it is difficult to transfer people from welfare to wages. Secondly,-and this another aspect of the same problem—it is strongly likely that a considerable number of those on welfareand I am talking of the able-bodied who are on welfareare people possessing the least skills, the least education and the least mobility, vocationally and otherwise. Therefore, unless we are prepared to engage in considerable measures of social and vocational rehabilitation, it is very difficult to remove them from the welfare rolls and transfer them to gainful employment. So, to examine assistance by itself, I think, is not to find a solution. We have to move on a broad front.

As a matter of fact, when the Canada Assistance Plan was before Parliament and was being studied, it seemed to me and my colleagues that the Canada Assistance Plan, in its broad, global terms, represented an effort to meet this problem on a wide front. Unfortunately, I think, in its practical application the Canada Assistance Plan has not been working out quite that way. We touch on it in our brief. Part of the problem is that, for some provinces, to provide 50 per cent of their welfare costs is not enough to get the province to move. We have suggested perhaps a larger proportion. The other thing is to persuade the provinces to move beyond the simple payment of welfare into the area of rehabilitation. This is pretty spotty, so far as I am aware.

We have failed to use a rather flexible and, on the whole, good piece of legislation to do the things that need to be done and that might have been done.

The Chairman: Mr. Andras, do you mind if I interrupt? These are the people who know.

Mr. Andras: He is a dangerous Chairman. Why do you not change your Chairman?

The Chairman: Mr. Andras, you have talked about the Canada Assistance Act in the same way as we have spoken of it. We share that view completely. Both you and Mr. Bell know this problem. I do not know what Mr. Kerwin does, because I do not know him as well. If we repeal every piece of social legislation on the statute books, with the exception of that which is contractual—the Canada Pension Plan, the Unemployment Insurance and workmen's compensation—Those are contractual, right?

Mr. Andras: There is the Canada Pension Plan, Workman's Compensation—these are social insurance measures.

The Chairman: But they have a contractual aspect.

Mr. Andras: Yes.

The Chairman: If we repealed every bit of all the other legislation that we have and worked with the word "need" in the Canada Assistance Act, and spelled out its

meaning, do we need anything else to meet the requirements of the people of Canada?

Mr. Andras: I think we would be placing a very unnecessary burden upon the administration of social security in Canada. I was thinking of that yesterday, Mr. Chairman. I was thinking about it because I sort of anticipated you might ask such a question. I was thinking particularly of a favourite piece of legislation of yours and mine, the Old Age Security Act. Practically everybody over 65 years of age who can establish residence in Canada is entitled to receive this monthly payment, and some of them get the guaranteed income supplement. Let us forget the guaranteed income supplement for a moment, and think of the \$75 that each of our older citizens is getting every month. If we remove that statute from the books, and place those people on a means test or a needs test, then we would be compelling over a million people...

The Chairman: There are 800,000 of them.

Mr. Andras: Well, we would be compelling a very large number of people to demonstrate need when we are already aware that the need is there. I went to your own distinguished report, Mr. Chairman—

The Chairman: Wait a minute. We are off the beam a bit. Let us understand each other. There are 1,600,000 people on old age security at the moment, 800,000 of whom demonstrated need by filling in an income tax form.

Mr. Andras: Or the guaranteed income supplement form.

The Chairman: Yes. Those people demonstrated need. I do not know how many, and the Government does not know how many, of the other 800,000 are in my class—that is, those over 65 years of age—who do not need the old age pension. There are 800,000 people there, and there is no way of finding out just how many of them need it, since they do not make an application for supplementary income. It is suggested that of those 800,000 there are 500,000 who do not need it and who are alleged to be paying it back in tax.

Mr. Andras: They pay some of it back.

The Chairman: Of course, nobody pays it all back. I will give you the figure on that later on. So, what are we talking about? How can you justify the drawing of old age security by 500,000 people who like myself don't need it when there are 800,000 drawing an inadequate supplement? How do you support that system?

Mr. Andras: We can support it on some grounds. First of all, I want to read from your own report...

Senator Hastings: He wants to get that on the record.

Mr. Andras: Chapter 2 of the Report of the Special Senate Committee on Aging, entitled "Income Status and Poverty 3-11-1970

Security", under the subheading of "Income status of older people" begins with these words:

Without question the most serious problem encountered by the Senate Committee in the course of its investigation was the degree and extent of poverty which exists among older people.

You knew that when you became the chairman of that committee, but you wrote it in those terms to make it historically precise.

We entered into the Old Age Security Act in 1952 because there was a presumption of need, with which everyone agreed, but from an administrative point of view, and for no other reason, it was simpler to give everyone who was 70 years of age or over at that time the benefit than to compel a million of people, or whatever the number was, to go through what was in effect a means test. That is why we abolished the means test in 1950.

The Chairman: I know; I was on the committee.

Mr. Andras: Yes. From 1927 to 1952 we had a means tested old age benefit, and it was a progressive step to move from that into a program that provided the benefit as of right. What you are suggesting—and I do not know whether you are doing it to bait me or not—is that we revert to pre-1952. I say to you, with respect, Mr. Chairman, that this would be a regressive step.

The Chairman: I am not baiting you at all. I am as serious as I can possibly be in asking you the question. I find it very difficult to know how we can ask a man to accept \$111.41, because that is what he receives with his guaranteed income supplement—he receives \$79.58 and \$31.83—and defend it. I cannot defend it. We may feel that what we did in 1952, and in 1966 when we put the supplement in, was very nice, but I can tell you that from all my discussions with the members of this committee I am sure that the figure that we are thinking of as a minimum is nothing like that. Certainly no member of this committee will support that as a minimum figure. As a matter of fact, the Minister of Finance, Mr. Benson, says it takes \$30 a week for an individual to live in Canada, and that is \$1,500 per year.

Mr. Beaudry: I am sure that he has not tried to live on that.

Senator Connolly: That was an unfortunate remark. I think the minister would be glad to take that back.

The Chairman: But when you say he does not have to live on that you at the same time are supporting a system that pays \$111.41. Perhaps I should not say that you are supporting that system, but you are supporting a portion of that system. What I cannot understand is what is holy about old age security or family allowance. Why can we not give it to everybody who needs it in another way?

Senator Carter: Do you mean we should give it as matter of right?

The Chairman: Yes. I know there is something nice about feeling that there is a dividend that comes to you through old age security, that is due to you because you have produced and helped to build the country, but that does not put bread and butter into the mouths of people who are in need. I read your brief, and I had my question ready, but you have anticipated me.

Mr. Andras: The fact that 500,000 people who receive the Old Age benefit do not fill in the guaranteed income supplement form means simply that in some instances they make just enough not to qualify for the guaranteed income supplement.

The Chairman: You have got me wrong again. There are 800,000 people who draw it, and I am suggesting that 300,000 are perhaps in the class of people who can use it. But there are 500,000 ir my class—that is, people who do not need it and who do not pay it back either. I pay back about...

Senator Connolly: Do not tell us.

The Chairman: As a class we retain a third of whatever we receive.

Senator Connolly: Let us particularize, Mr. Chairman, because I agree with you. Let us assume that my annual income is \$40,000. Why should Canada pay me \$79.58 a month in old age security, and why should Canada want to pay me that...

The Chairman: No, you cannot get the extra.

Senator Connolly: You are anticipating what I am about to say. Why should Canada pay me that extra amount under the Canada Pension Plan, which it wants to do.

The Chairman: But you have paid for that.

Senator Connolly: If we are going to dispense completely with real charity, which emanates from the heart rather than the throat, I maintain that people with handsome incomes, and I happen to be one, have no right to take an old age pension. I have written to you with respect to this point, Mr. Chairman.

Senator Fergusson: If you had not applied for the old age pension you would not have received it.

Senator Connolly: I never did apply for the old age pension.

Senator Fergusson: You cannot get it unless you apply.

The Chairman: She is right.

Senator Connolly: Oh, no; she is not right. I even had an official in Halifax call me asking if I wanted my Canada unemployment cheque. I asked him: "for whom do you work?"

Mr. Bell: I wonder if I could just make a very brief comment for purposes of clarification. This relates to the reference made in the context of the poor to the fact that there is a lack of information with respect to the labour market. This is a very important matter with respect to this particular category of persons. They are extremely ill-informed with respect to job opportunities. They simply do not have the know-how of finding out this kind of information. I say this on the basis of actual studies that have been undertaken in Canada and the United States.

I wish to refer specifically to a study that was undertaken in the Windsor area in 1964 under authorization of the Economic Council of Canada. I must confess that I was quite astonished by the findings of the study. It was clearly indicated that this category of unemployed in the Windsor area were operating on such a relatively low level of sophistication that in most cases they did not even bother to apply to what was then known as the National Employment Service office. When they were asked how they learned about the previous job they had held the answer invariably was that they had got the information through a relative or friend. This is a highly uninformative method generally of finding employment.

I make this reference specifically for the purpose of suggesting that these people must be sought out. We cannot expect that they will take the initiative to find employment. If we impose on them the onus to take the initiative then I am afraid, on the basis of studies that I have seen dealing with this particular category of persons with which we are concerned, that they will not succeed in obtaining gainful employment.

#### Senator Connolly: I think that is right.

Mr. Bell: This is really what we had in mind when we phrased this section. All I am suggesting is that the initiative to seek out these people and inform them must come from our Manpower service centres. In a great many cases it is not sufficient simply to inform them with regard to possible job opportunities. They must also be informed of job counselling services and programs for upgrading their very limited education or inadequate skills.

The Chairman: Are you aware of the experiment in Halifax, where exactly what you suggest was done? Unemployed persons were trained to go out amongst others unemployed and reliefers.

Mr. Bell: I read something in the press relating to this, Mr. Chairman.

The Chairman: Well, of course those of us who were in Halifax went down and met these people and those in charge. They informed us about the experiment. It is a matter of record with us. We were told how well it worked out, but it seemed to be the end of it as far as I recall. I never encountered such a program again.

Senator Fournier: What you are telling us is all very nice and I agree with you. Nevertheless, at this very moment we have a great number of young people, completely trained, leaving university and running all across Canada to find jobs. What is wrong? They are knocking at every door and doing everything you have suggested but there is still no employment.

Mr. Beaudry: The same situation exists, for instance, in Quebec. Based on the information of the Manpower Service of Canada and that of the province, a few years ago the Minister of Education was advised that a special school would have to be opened in order to remedy the great lack of teachers in the province. Now, about three years later, they find themselves with about 2,500 teachers, fully qualified and looking for jobs and possibly another 3,000 coming into the labour market this year and 4,000 next year, for whom jobs will not be available.

This is also in the area where we say there is a great lack of information and co-ordination based on the request of the labour market. They have told the Department of Education they must establish special schools and so on because there would be a great lack of teachers. Now we find ourselves with an oversupply. The problem will become really acute by next year, with 5,000 persons holding university diplomas but having no jobs.

Senator Connolly: Other provinces are just as badly off.

The Chairman: I cannot feel great concern for what you and my great and good friend Senator Connolly have said. You say other provinces are just as badly off. How badly off can you be if you have 3,000 educated people trying to make their way in the labour market? Sooner or later they will find it; they are qualified for something.

Senator Connolly: That, Mr. Chairman, is the long term view. However, we see the ambitious young graduate who has taken four years of university and comes out with his or her hopes high and finds there is no teaching position available in their native province, even with the modest salaries they pay for a first-year teacher without experience, and has great difficulty in getting it in any other province of Canada, and has perhaps to leave this country and go elsewhere. I am not talking theories; I am talking facts.

The Chairman: I know.

Senator Connolly: This has happened in my own family.

Senator Carter: The evidence we have had presented to us has shown that the bulk of people living below the poverty level, and particularly the working poor, are outside organized labour. I would like to ask the witnesses: why has not organized labour made a greater effort to bring them in.

Mr. Andras: The working poor?

The Chairman: Low wages he is talking about.

Mr. Andras: The people we organize are employees. You would take that for granted. We cannot deal with the poor who do not work.

The Chairman: No, no, no. He is talking about the working poor, those who do work.

Mr. Andras: All right. The problem is a real one. To some extent we do organize them, and at that point I

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hope they cease to be working poor and become somewhat better off economically as soon as we have concluded a collect.ve agreement for them. The working poor, as you call them, senator, typically work for marginal employers in smaller communities. As a rule they are working for relatively small employers, with three, five, ten, twenty people perhaps. It is very much more difficult to organize people like that than it is to organize the employees of a large plant like the Steel Company of Canada. The history of organization in the labour movement has always demonstrated that the larger establishments, and establishments in metropolitan areas, are easier to organ ze than the others. It is a real problem. I concede without any argument that this is a problem which concerns us.

Senator Carter: What is the problem? Is the problem that the wages are low or that they are in small groups?

Mr. Andras: They are small groups; they are in more isolated places; they are more exposed to pressures by their employer because of the very small numbers involved. For those reasons it is more difficult to organize. My vice-president has probably had much more direct experience with that than I have, and perhaps he would speak to it.

Mr. Beaudry: I was working in Quebec for about 20 years to try to organize workers, under some of the most repressive labour legislation known in this country. I think you will find that it was not easy to organize workers in the legitimate trade union movement. We find pretty well throughout Canada that the various provincial governments are setting up all kinds of barriers to prevent workers belonging to the union of their choice, either by delays or the possibility of taking cases to courts, or appeals against decisions of boards, so that sometimes it takes years before a union is recognized. We have had to live through these things over the years, and they are still the facts of life today.

For instance, we have a great number of cases of groups of workers, the large majority of whom will join the union, but when we apply to the various boards in Canada for recognition there are delaying procedure and stalling procedures, so that you end up without having any of the orig nal members who joined and applied for union recognition; they are not there by the time a decision is handed down. Therefore, through the repressive measures taken by the employer you will most of the time find that the trade union movement will lose the vote. An improvement in labor legislation throughout the country, based on the I.L.O. convention for recognition, for instance, would greatly help the vast majority of workers who are still unorganized today, and would get above the poverty level if they had the opportunity.

Senator McGrand: What are those people working at now? Give me an idea of the occupation of these people you are referring to. What is their occupation?

Mr. Beaudry: I would say you find them in just about every field. Up until very recently—

Senator McGrand: Name a few of the fields.

Mr. Andras: Retail trades, service industries, motels, landries, dry cleaning plants, recreational, movie shows, for example, as many as there are left now.

Mr. Beaudry: Taxi drivers, trucking firms.

Mr. Andras: That is right. All relatively small employers.

Mr. Bell: Very largely in the service sector.

Mr. Beaudry: That is right.

The Chairman: You see, for 20 years your organization's membership has remained about 30 per cent of the labour force; it has been almost consistent for about 20 years. In the meantime, the service industries, and all these things you have been talking about, have been growing all the time unorganized. That is where we find the poor, as you agree. We find it hard to understand. Let me add something else to this. My knowledge of the labour movement is that you organized best when the laws were the toughest against you. In the early days the laws were rough, and not to be compared with what they are today. In those days you organized best and most effectively.

Mr. Beaudry: The basic industries.

The Chairman: All right. You say the basic industries.

Mr. Beaudry: That is right.

The Chairman: What is basic today to the people?

Mr. Andras: You forget this, Mr. Chairman. We did organize, and we organized at a terrible cost. We organized at the cost of enormous conflict. The record that you refer to shows our successes; it does not show all our defeats, the innumerable cases where our unions were destroyed because there was no protective legislation whatever. For every one that we organized, for every plant we organized, we might have lost two, three or four in our campaigns.

Mr. Beaudry: That is right.

Mr. Andras: I vividly remember, for example, before the P.C.103 was introduced in 1944, under the authority vested in the Parliament of Canada. P.C.103 came in in 1944. In 1943, 25 per cent of all the time lost in strikes arose out of strikes for union recognition. We had to fight for that elementary right. We do not have to fight for this any more; we are a much more civilized community in every respect.

Mr. Beaudry: Not in every respect.

Mr. Andras: It will be going back to paleolithic times even to think of reverting to a time when we had to fight on the battlefield, as it were, simply to get an employer to sit down and talk to us. The problem of organizing service industries is complex, because of its makeup, the smallness of the employers in aspect, and the fact, which Senator Fergusson will understand, that the large

number of women in some of these industries makes organization difficult, because so many of them are transients in the labour force. The women who are hired as chambermaids in motels are employed seasonally, for example; they work on a highway close to a nearby village, and their attachment to the labour market is marginal. All these factors and the high turnover make organization difficult. I wish it were not as difficult. I would much rather have four million straight union members in Canada than two million, if only from the point of view of self-interest. But it is not a question of self-interest. We think it is desirable, socially and institutionally, for those who work for a living to have the protection of trade unions.

Senator Carter: Is it fair to say that unions today are working on organizing white collar workers?

Mr. Andras: We are doing our best to, yes.

Senator Carter: On page 21 of the brief you refer to what is needed to extend the benefits of union membership to the unorganized, and all you say there is that a more enlightened approach to trade unions is needed.

Mr. Andras: Yes.

Senator Carter: What do you mean by that? What sort of government action are you thinking of? Will you expand on that?

Mr. Andras: We need a climate of opinion in this country which says that not only are unions legal and legitimate but even desirable, that no arbitrary barriers should be placed between the worker and the trade union by the employer, nor should there be any impression created among workers and employers that governments are not disposed to encourage trade union organization.

With respect to white collar workers there is a very interesting anomaly, Senator, that I have observed personally. An employer who will accept the organization of his manual worker will rear up on his hind legs and kick when the same trade union comes back and tries to organize his white collar workers. There is a curious status attitude with respect to the organization of white collar workers.

Senator Connolly: Would you expand on the differentiation you make between the two? What do you think it is?

The Chairman: It is obvious to me.

Senator Carter: Is the white collar worker considered part of management?

The Chairman: He is creeping towards management. That is what is in his mind.

Mr. Andras: There may be one or two per cent that are creeping up there.

The Chairman: What do you attribute it to?

Mr. Bell: On this particular point, Mr. Chairman, I think there is often an illusion in the minds of many

white collar workers that they are part of management, when they are not any such thing. If they do not have that particular illusion, there is another illusion in their m nd, namely, they have pretty unfounded aspirations for becoming part of management, and they never really achieve that status.

Senator Connolly: Is it not also due to the fact that they think they are better human beings than the fellows who work at manual labour?

Mr. Andras: It is a caste approach. I think that is going to change, senator. The change in the labour force has been very dramatic in the last twenty years or so. Some twenty or twenty-five years ago, the major ty of people in the labour force-I am not talking about the professional or the executive, but below that level, the majority of what we call blue collar workers-in the last decade or so the balance has swung. The majority are now workers who are white collar and quasi-white collar workers. At the same time as that development is taking place, the white collar worker is becoming proletarianized, as it were. The larger number of white collar workers means that the status which was at one time attached to being a white collar worker is dimin.shing. As a consequence, it is becoming slowly but surely easier for trade unionists to make an appeal to white collar workers-or for white collar workers, I should put it the other way around, to discover an interest in the values of

Senator Connolly: And that is the angle I think you should work from.

Senator Carter: The witness has said that the competition, the change in the union movement...

Mr. Andras: No, sir, in the labour force.

Senator Carter: In the labour force. At the same time, union membership has remained relatively constant for the past 23 years.

Mr. Andras: As a proportion.

Senator Carter: Why is that?

Mr. Andras: Because the labour force has been expanding quite rap.dly, so we have to run very hard to remain in the same place—like the Red Queen in through the Looking Glass. What with the growth of the labour force and the difficulties we encounter in organizing, we do succeed in bringing more workers into the labour movement, but not any faster. We just maintain our level or move it fractionally, a percentage point.

Mr. Bell: And the labour force has been expanding in areas that have been very difficult for trade unionists to organize.

The Chairman: On the other hand, in those basic industries you do not have to do too much organizing. Joe Smith comes to work tomorrow morning, he joins the union the next morning, so it is pretty well automatic in what you are doing. The problem is away from that.

Mr. Bell: Repeating what I said before—in the service sector, that is so.

The Chairman: The chairman is having some difficulty this morning, as he usually does on these occasions. Approximately 70 per cent of the working force is unorganized. The number that has been organized is 29 or 30 per cent. That has been so for a great number of years. That is where the poverty is great in those that are not organized. You are in the business of organizing workers. Why has not more been done in that particular area in the last five or six years or at least in the last five years?

Mr. Andras: We have been successful in one particular sector, for example, that needs to be borne in mind. There is an aspect of the service industry known as hospitals. Most hospitals in Canada are organized now. They were amongst the lowest paid workers of any in the country. We have done a great deal in the last decade in that respect.

Mr. Beaudry: Government employees, also.

The Chairman: You got a little help on that from some members of Parliament.

Senator Carter: The Canadian Labour Congress makes representation to the Government, to us and to the Commons. Beyond the fact of making these representations, do you see any other role for the CLC or organized labour in the elimination of poverty? Is this all you are going to do? Is this all you can do?

Mr. Andras: We have recently established a department of social and community programs. As a matter of fact, Mr. Kerwin, the assistant director of the department, is here.

Senator Carter: When was that, how long ago?

Mr. Andras: It was very recently, a matter of a month or so, but we hope that in the very near future you will be very much disturbed by the activities of that department.

The Chairman: You mean, impressed, do you not?

Mr. Andras: No, disturbed, Mr. Chairman.

Senator Fergusson: Mr. Chairman, like some of the other members, many things I have noted have been touched on, at least likely. I read the brief with very great interest. I agree with most of the things which have been said in it. We are very appreciative of the representatives of the Canadian Labour Congress having come before us.

Referring to what Senator Carter has just said, as to what Congress have done themselves, I realize that this is a new area you are going into, but we should not forget that Congress has taken a very great interest in many things. I have had occasion to meet Mr. Andras on many boards where he has represented Congress. This has been a very valuable contribution to Canadian life. I know that he gives a tremendous amount of his time towards helping on many of these boards and many of them are

boards which have a very special interest in the matter of poverty.

Furthermore, I do not think it should be left on the record that anyone is getting old age security who has not applied for it.

Having administered that act and having approved thousands of applications, I know that it has to be applied for. In order to prove the point I went to my office and got a copy of the act.

The Chairman: Senator Fergusson, you are the committee's authority on the subject. We take your word for it. Is there anything further that is needed?

Senator Connolly: Yes.

Senator Fergusson: If I can just put my hand on the act I will read what it says.

Senator Connolly: If what Senator Fergusson wants is a confession from me, I will concede what the act says; but if I must confess to the Senator I will confess to her in private. That is the way I usually make my confessions.

Senator Fergusson: At the same time, there is a statement on record and I should like to read this section of the act. Section 3, subsection (2) says that no pension shall be paid any person unless he is qualified under subsection (1)—which refers to his age and residence qualifications—and an application therefor has been made by him or on his behalf and the application has been approved. There is more in the paragraph than that, but I think that is enough. I am sure that nobody gets the old age security unless he applies for it.

Senator Fournier: Are you sure that it is on his behalf or that he has to write it himself?

Senator Fergusson: He has to authorize it, if he does not do it himself. They have to be satisfied that it is authorized by him. If he cannot write, somebody can do that for him. But I am sure no application written without the authority of the applicant would be approved.

Senator Fournier: You are sure, but I am not sure. It is a matter of opinion.

Senator Fergusson: I do not think so. We are talking about the same province where I administered that act, and I know that when I administered it, they never did, and I don't think they do yet. I am sure you have to have the approval of the applicant.

Senator Connolly: I do not live in New Brunswick, you know.

Senator Fergusson: I know, but the regulations are the same throughout Canada, I assure you, Senator.

The Chairman: All right.

Senator Fournier: Agreed.

Senator Fergusson: One thing I wanted to ask the witnesses concerns page 4, where they say that serious studies indicate that one of the main reasons for the

impoverishment of the poor is that they have limited formal education. I should like to know how important the witnesses consider that aspect. How important a factor do you think that is in causing poverty in Canada?

I should also like to ask about the regulations or standards that are required for people who have jobs. It seems to us, in the studies that we have made, that the standards very often prevent people who could well do a job from having the opportunity to do it, and then often leave the person unemployed. Is there anything that the Congress could do to give leadership in that so that there could be more realistic standards?

Mr. Bell: I wonder if I could answer the first part of Senator Fergusson's question, Mr. Chairman, relating to the point she made with regard to the effect of limited formal education as a handicap among the poor and those who cannot get gainful employment.

A number of studies have indicated this to be true. To be more specific, I would refer you to the findings made by the Economic Council of Canada a couple of years ago. I am sure you are quite familiar with the material that appeared in their Fifth Annual Review. They dealt in that annual review with a combination of characteristics that are associated with people who are in the poverty-stricken group. Limited formal educat.on was definitely one of the characteristics that emerged from their particular study. In many studies that have been undertaken in the United States the same characteristic appears very frequently. That is all I want to say on that.

Senator Fergusson: We are familiar with those, but what I really wish to ask you is what, from your own experience, do you feel is the importance of that characteristic as a cause of poverty?

Mr. Bell: May I be a bit more specific on what we really mean by the phrase "limited formal education". This particular characteristic really refers to people who are very often functionally illiterate. In our kind of rather sophisticated society it is very difficult for such people to secure really gainful employment. One of the things we have been proposing for a long time is that means should be taken where possible to upgrade their limited formal education so that they do really become functionally literate. I cannot be too precise in making a distinction between those who would be classified as functionally illiterate as opposed to those who are not, but one example comes to my mind for making a distinction.

I was not around at the time of World War I, but the American army, for example, during World War I drew a demarcation line between those who had achieved grade 5 and up in elementary school and those who had not gone as far as grade 5. So even in World War I days, when, after all, society was much less sophisticated than now in terms of what we are discussing, the American army simply classified those who had not achieved grade 5 standing as being functionally illiterate, even in terms of being ordinary foot soldiers.

This is unquestionably a very serious handicap for many of the poor, and until that particular defect has been rectified through upgrading their formal schooling, it is going to be very difficult to get employers to hire these people.

If I might now refer to the other point that you raised, Senator, I think that there has been a very strong tendency on the part of many employers to require higher standards of education than are actually necessary for a job, with the result that these people are often not able to qualify for whatever jobs there are vacancies for. I think this a question that really needs attention. As a matter of fact, I would hope that your committee will make some recommendation in regard to this matter.

Senator Fergusson: Isn't this something your Congress should be finding out?

Mr. Andras: We have done so, and I have done so personally. In saying that I do so as an illustration and not by way of boasting. There was a conference held under the auspices of the Government of Ontario some months ago on the problems of the older worker. This Term of "Older worker" was defined as being from age 45 on. At that conference I made the point that where these older workers were concerned, employers were setting an arbitrary standard of educational requirement that the job did not require, but that this was being done as an alternative to screening employees on the basis of individual merits.

Senator Fournier: But are some unions not responsible to some extent for these high standards?

Mr. Andras: There are certain trades where they have apprenticeship programs where minimum standards of education are required, but in the vast majority of cases, such high standards are not required. I am speaking now of jobs for which a person may become qualified fairly easily. These are semi-skilled jobs in large measure, and the employers who control the hiring in those circumstances set the standards. We have very little control in such circumstances and all we can do is engage in the kind of statements that people like myself have made from time to time.

Senator Fournier: I have been told at different committees, not of necessity this one here, that such standards were set at the request of the unions. I was told, for example, at a government committee that grade 12 was required to become a barber at the request of the union.

Mr. Andras: I think it was grade 10, senator. I had something to do with the Ontario Barbers Union, and it seems to me that it was Grade 10, but I will not quarrel with you on that. My memory may be playing me tricks, But it seems to me that that was the standard that was set. But this reference you make to the Barbers' Union is correct because in their case they sought the legislation to determine the educational level. But broadly speaking, in the manufacturing industries which still take up a very large part of the labour force the employer sets the standards and they are not set by any legislation, except insofar as the school-leaving age is concerned and this applies to every province in Canada.

Senator Fergusson: I want to refer to the last part of the first paragraph on page 4 where you speak about Canada having the second or third highest per capita income in the world, and that we are well able to see that people have a decent basic standard. But one of the questions we are asked very often when it is suggested that more should be done is this; where is the money coming from? Obviously you think there is no problem and that we are quite able to do this in Canada if we make up our minds.

Mr. Bell: We have unquestionably, and I deliberately use the word "unquestionably," the economic means for providing whatever financial assistance is necessary to cope with the indigent people in this country, but it is a matter of how to establish your priorities. There is no lack of money, obviously. The economic means are there. Whatever cost may be estimated, and your committee is far better qualified now through te tremendous experience you have had in making such an estimate, will not be in excess of our economic capacity to meet. I would find it extremely difficult to think for one moment that a country like ours which does have one of the highest per capita incomes in the world and which has a pretty well defined poverty problem could not meet that problem so far as financial means are involved. That is not an answer to the whole problem by any stretch of the imagination as to how you really cope with the broad spectrum of poverty, because many more things than simply financial means are required to cope with that problem, and here I do not want to repeat myself ad nauseam, but insofar as financial capacity to meet the problem is concerned, I cannot see that there is any problem.

Senator Fergusson: But you have to make the people of Canada agree that this is priority number 1 before you can make use of this.

Mr. Bell: It is really a political problem, senator. But if we as a society—and we regard ourselves as a relatively highly progressive and civilized society—think that this is a top-priority problem, then I see no difficulty insofar as the financial aspects of the problem are concerned. But then again if we as a society do not regard this as a top-priority problem, then we are simply defeating whatever we might attempt to do to cope with it.

Senator Fergusson: But how are we going to make the people of Canada accept this as a top-priority problem? We have been exposed to this for the last year and a half or so and we believe it, but the large majority of people do not have that feeling. How are you going to get it across to them?

Mr. Bell: This is a very difficult question to answer because I have encountered quite a lot of attitudes on the part of quite a number of people—as I am sure your committee has during the past couple of years—who simply refuse to accept the fact that there is a real poverty problem, and the invariable response which you undoubtedly have heard many times is that these people are lazy, addicted to alcohol, drugs and so on.

The Chairman: Well, drugs are more recent, so let us stick to the other.

Mr. Bell: If the indigent happens to be a higher age category, the problem is very often regarded as being the result of addiction to alcohol whereas if it occurs in the younger category we are told that drugs are the answer. Obviously there is a small element who probably are addicted to alcohol because of emotional reasons, and that particular category, as I think we suggest fairly clearly in the brief, would simply have to be taken care of as welfare cases.

Mr. Beaudry: Senator, another important area in the creation of poverty in this country is unemployment. Right now we have a government which through fiscal and monetary policy in order to maintain some sort of stability in the economic system has had to create unemployment to the rate of 6 or 7 per cent. Don't you find that it is logical that the total amount of people in this country should also share the burden of some of these policies, and not leave it all with the people who are unemployed due to these fiscal and monetary policies?

The Chairman: I do not think anyone disagrees on that.

Mr. Bell: I just have a brief supplement to the remarks made by Mr. Beaudry. There is no question at all that when you have the kind of high level of unemployment you have now, this obviously exacerbates the problem of poverty. We have been very critical, as I am sure you are well aware, including in this brief, of the federal Government for pursuing its very tight economic restraints. It is extremely difficult to cope with a poverty problem when you have so many people who are unemployed but who are perfectly employable and who otherwise would not fall into the conventional category of the poor.

The Chairman: Mr. Bell, I think this country sort of "took off" economically in about 1950. Remember, after the war we sold articles to everybody in the world on credit and we sort of took off? From 1950 to 1970 we were almost at the height of our prosperity in this country, the most prosperous years in my memory, anyway, with a few bad ones in between, but generally very prosperous.

Mr. Bell: 1950 to 1961.

The Chairman: Yes, with a few bad ones in between. During that time our poverty problem increased. How do you explain that?

Mr. Bell: I am going to have to ask you a question, Mr. Chairman, to clarify the observation you have just made.

The Chairman: Go ahead.

Mr. Bell: You say that our poverty problem increased. First of all, do you mean in absolute numbers?

The Chairman: In numbers.

Mr. Bell: With the increase in our population.

The Chairman: But percentagewise it actually increased.

Mr. Bell: Proportionately.

The Chairman: Yes.

Mr. Bell: Yes. First of all, "poverty" is a relative concept. With regard to those whom we regard as in the poverty category today, you have to define what you mean by that, by specifying your own income cut-offs, whether you accept certain income cut-offs or prefer other income cut-offs, and this becomes a highly subjective judgment, obviously. Nevertheless, people whom we regard as in the poverty class today we would not have regarded as in the poverty class back in 1950, simply because the whole concept of poverty has changed with time.

I would suggest to you, as a matter of fact, adhering to this concept of relativity with regard to the poor, that any particular income cut-offs you may define today to establish or identify who are poor and who are not poor will be obsolete, say, in five years' time. So that just on this basis alone, unless something fairly significant is done to cope with the problem, we are going to have an increasing number of so-called poverty people just by virtue of the fact that their numbers tend to increase as needs and expectations go up.

Senator Fournier: Has the cost of living some effect on poverty?

Mr. Bell: Yes, certainly it does, particularly with regard to those who are living on low incomes.

The Chairman: But are you saying, in effect, with regard to these people who are referred to as poverty stricken—and you can draw any lines you like, take the Economic Council line or anything like that—that their status remains about the same, no matter what happens, and the rest of us have taken off?

Mr. Bell: To a certain extent this is true. I would also like to make one more observation here. You referred to 1950, on.

The Chairman: A rough date.

Mr. Bell: Yes. I think one thing we have to bear in mind, which is an obvious point, is the fact that during the early fifties, with the exception of 1953 to 1954, we had a very low unemployment rate in Canada whereas today, of course, we have one of the highest—the highest since 1961. When you get a high level of unemployment, you undoubtedly get an increase in the number of poor.

The Chairman: But we are not dealing with current poverty.

Mr. Bell: But we have had, Mr. Chairman, a relatively high level of unemployment over the past few years.

The Chairman: It has been aggravated.

**Mr. Bell:** Not just now. It is worse now than it was previously, nevertheless we have had a relatively high unemployment level. This undoubtedly exacerbates the whole problem.

Senator Hastings: Mr. Chairman, you have pretty well asked my questions. I can make an observation and ask a question, or probably make an allegation.

Gentlemen, we have had business and the professions before us from time to time. We have had business, as represented by the Canadian Chamber of Commerce, appear before us. They intoned the usual litany with respect to continued economic growth being the panacea to our problem. They accompanied that with warnings about any increase in social security measures. They professed their deep and abiding interest in the poor, by making a pledge that they would put their expertise at the service of the poor at any time in order that poverty can be struck down. And yet we had evidence last week that, when given an opportunity to make a worth while contribution, they failed hopelessly and pathetically in accepting the challenge put before them.

Now we have labour coming before us, as represented by yourselves. You also recommend a sustained high level of economic growth, but you wisely and quite correctly point out that it is far from the sole remedy, and you go on and make some very worthwhile, specific and commendable recommendations.

However, it seems to me, gentlemen, that we have, on one side, business and the professions dedicated to bigger business, with increased activity and profits; we have organized labour, represented by you, on the other side, dedicated to making unions bigger and more powerful, rightly to serve your membership; and yet down below we have about four million Canadians, the working poor and the poor, who exist in a hopeless environment and the frustration of poverty, unorganized, unprotected, unwanted and unrepresented.

It seems to me that neither of you, neither business nor labour, really has a great deal of concern for the poor, or are showing a great deal of concern for the poor, except as your representations point out here today.

Mr. Andras: Those are fighting words, senator!

Senator Hastings: I know that. What specific programs or dedication of human resources of your unions do you have directed to the work of the poor, or to alleviating the conditions of the poor—except as to your own organization?

Mr. Andras: Quite apart from that, I think you are familiar with the history of our efforts. We have devoted an enormous amount of time and energy over the last number of decades towards improving the well-being of the aged. In 1952 the Old Age Security Act was introduced. I am not saying that we can take all the credit for it because that would not be fair, but I remember that in the early fifties we engaged in a tremendous national campaign for the movement from a means tested system to the old age security kind of system that we have at the present time. We have over the years since then done as much as anyone to persuade government to raise what started out at \$40 a month to what it is at the present time. We have agitated for a removal of the 2 per cent ceiling on the escalation of the cost of living factor. When the Canada Pension Plan bill was before the joint

parliamentary committee—and I remember that Senator Fergusson was a member of that committee...

The Chairman: Yes, she was vice-chairman, as a matter of fact, and I was a member of the committee.

Mr. Andras: Yes. We put in a very elaborate brief pointing out how a greater measure of security could be provided. We have been in the forefront of the extension of low cost or subsidized housing. Provincially we have worked similarly in the terms of other legislation such as workmen's compensation or assistance legislation, and so on.

You must bear in mind that the Congress is a trade union centre. As a trade union centre we are in very large measure a legislative spokesman for the collectivity that we represent. We come before a body such as this and suggest ways in which the only sovereign power in this country, the Government, can do things to improve it, whether it concerns business, labour, or the professions. In large measure we can indicate measures that can be taken, but only to a limited extent can we do particular and specific things.

With the advent of this new department to which I referred a few minutes ago I am pretty certain we will do a great deal to assist welfare recipients to improve their own conditions by giving them an opportunity to seek redress. You may recall that in this brief we ask for an appeals procedure under the assistance legislation. We think the Government of Canada has been deficient in not insisting that the provinces live up to their commitment to install these appeal procedures.

Senator Hastings: Mr. Andras, I did not want to belittle the work that labour has done. As you have stated, you have come forward with commendable recommendations. I want to know what programs or commitments you have made with respect to human resources, in respect to going out and organizing and helping the poor. I appreciate all the work that labour has done throughout the years in recommending to governments and governmental bodies improvements for the working man, but I am asking what you have done for the poor. If we are going to come anywhere near a solution to this problem then we are all going to have to undergo a great change of attitude. What have you done to change the attitude of your 1,600,000 members in respect to their responsibility to the poor. What programs have you engaged in?

Mr. Andras: I think Senator Fergusson has answered that in part before when she referred to our involvement with other institutions. She was kind enough to mention my involvement, together with Senator Fergusson, in the Canadian Welfare Council, now called the Canadian Council for Social Development, but we have across Canada in our Congress and through our trade unions a very extensive degree of participation in organizations which, for want of a better word, I will call welfare organizations, at the community level, and at the provincial and the national levels. We serve on advisory committees to the Government of Canada, on the National Council of Welfare, the Canadian Pension Plan Advisory Committee,

and so on. In those ways and in other ways we have worked. We have been involved quite actively in assisting the development of co-operative housing or in seeking at the local level in getting subsidized housing for poor people.

I cannot document here this kind of thing in any detail, but I know from my own experience in my job that these things have been and are going on all the time.

The Chairman: No one is belittling your work, and Senator Hastings certainly is not. We all know of your activities, but the point that Senator Hastings was making is a different point. He asked: What have you done to assist people who are on welfare, or who are in the stream of welfare. You said that there is some one over there who is going to undertake some work, and a week ago at a meeting in Ontario you passed a resolution, but I remember that almost a year ago you promised to do that. You said: "We will organize the poor because they need help and organization". Yet, nothing has happened. Time is running out for you as well as for the rest of us.

Mr. Andras: We are conscious of that. We got our mandate in convention in May.

Senator Hastings: Was that in Edmonton?

Mr. Andras: That is right. We created this department, if I remember correctly, on October 1st. There was some attrition of time in the appointment of people to these jobs.

Mr. Beaudry: And, of course, we have limited resources.

The Chairman: I am sorry that you have brought up that matter because I have avoided it, you know. I am still prepared to avoid if you will drop it, because I could very well embarrass you about that. I am not here to embarrass you. Let us get away from that for a while, because that is not true.

Mr. Andras, you talked about a tremendous national campaign on behalf of the aged. I remember it, and everyone else remembers it. What is holding you back from engaging in a total and tremendous national campaign on behalf of the poverty stricken, the very kind of people that your organization is dedicated to helping. Your original purpose was to raise these people out of poverty, and you accomplished that by organizing many but then you stopped at a certain level. Where are the modern counterparts to the campaigns you launched in the early days that appeal to the national conscience?

Senator Hastings: Where are the crusades?

Mr. Andras: Crusades are hard to come by. I think in all fairness, Mr. Chairman, that you are asking of us what is in large measure properly the responsibility of government. If you are able through your committee or otherwise to identify an area of need then you should look to the sources best able to deal with it. We are a trade union organization. It would be presumptuous, Mr. Chairman, for me to tell you, or anybody else in this room, what a trade union is. We are a specialized institu

tion in the same way that the Canadian Medical Association and the Canadian Chamber of Commerce are specialized institutions. The only non-specialized institution is government. Only government has the resources, fiscal and otherwise, to do these things. If poverty is a matter of the magnitude that we all know it is then it is not good enough for trade unions or for some other institution to try and grapple with it in some part of Toronto or Vancouver or Moncton, or what have you; it requires massive measures to deal with it.

The Chairman: Mr. Andras, government, by its very nature, is cold. We associate government with money. What we need here is an appeal to the spirit, to the conscience, to the mind, and it is hard to get that out of government even in the best of circumstances. You people have done it on other occasions, as you have indicated here today. The reason why we have called all the people before us at various times is to instill that spirit in them so that they may go out and instill it in others. They have done it very well, by the way, judging from the requests to be heard that we have received. But, it is not a matter of dollars and cents. We could not solve the poverty problem if we were given all the money we asked for. We could give money to the needy, but that is not the answer to it, and everybody knows that. There is far more to it than that. We have to feel it. We are glad to have you here because you have standing in the country. You have substance. You are somebody who has credibility.

Mr. Andras: You leave me nonplussed, Mr. Chairman; this is very remarkable.

Senator Fournier: We do not hear that very often from union leaders.

Mr. Andras: We are really modest people. You are suggesting, Mr. Chairman, in all seriousness that we involve ourselves on a much larger scale.

Senator Hastings: Was that not adopted at your convention in Edmonton?

Mr. Andras: That is right. I think if we were to appear before you or a similar committee a year from now we would answer in different terms.

Senator Hastings: On page 5 of the brief you state:

A high growth rate, with all that means in terms of creating job opportunities, can have a marked influence, as past figures show, in reducing the number of poor.

I can only comment that business and labour seem to become larger, but there is not much change in the poor. However, you have answered that.

**Mr. Bell:** That refers specifically to figures published by DBS showing the decline in the number of poor as a result of ...

Senator Hastings: High employment.

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Mr. Bell: Specifically high employment, or high rate of economic growth. There is no question about it; when there is a sustained high level of economic growth and full employment there is a marked effect in bringing about a reduction in the numbers of the poor. That is using, of course, the same income cut offs, adjusted by the rise in consumer prices.

Senator Hastings: Inflation.

Senator McGrand: Mr. Chairman, I prepared my question a little after nine o'clock this morning and it is rather old-fashioned now at about 11.30. Nevertheless, I will place it.

On page 4 of the brief, referring to unemployment, you speak of the lack of adequate skills. Then on page 5 you refer to:

A high growth rate, with all that means in terms of creating job opportunities, . . .

At the bottom of the same page you state:

It makes little sense to improve the skills of the underskilled, or to upgrade the education of the undereducated, if they are only to be confronted with the lack of job opportunities.

This is a problem we have been facing for quite a while. A high growth rate in productivity is essential if we are to increase employment. Now, in what areas of Canadian industry can we find that expansion to provide the jobs that we need? The high cost of production has caused a loss of markets both at home and abroad.

Now, is this possible in this time when technology is replacing people?

Mr. Bell: I would like to make one specific comment with regard to your reference to high production costs, which you claim have lost us markets. The evidence is to the very contrary, senator. Our exports, for example, have shown a phenomenal upsurge over the past few years. To be more specific, the latest available DBS figures, for the period January through August, show that our exports have done extremely well, increasing by 16 per cent, while in the same period our imports increased by a mere 2 per cent. This left us with a very impressive trading surplus.

Senator McGrand: How much has unemployment increased?

Mr. Bell: Unemployment, of course, has been increased very largely due to the very tight economic restraint policies that have been pursued for some time now by the Government of Canada in its attempt to combat inflation.

Senator McGrand: Go ahead and tell me the areas in our economy in which we can increase our productivity and create jobs.

Mr. Bell: The best reply I can give to that is that if we were pursuing more expansionary fiscal, monetary and general economic policies our economy would tend to grow in those areas such as secondary manufacturing. This, of course, is a very high source of employment.

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There would also be growth in other sectors; it is not a case of specifying particular sectors.

Senator McGrand: When you say secondary industry it is a rather blanket statement. Specify the secondary industries in which we can do this?

Mr. Bell: It is not a question of us, you or anyone else as a matter of fact indicating which specific industries will grow. If we have appropriate expansionary policies that will result in overall economic growth, then those industries will expand and tend to be more highly productive. This has been the case and these same industries provide a very important source of employment.

Senator McGrand: Well, you have not answered the question to my satisfaction, so I will drop it.

It has been mentioned that the hot war after Dunkirk stimulated industry in Canada. No one was unemployed after Dunkirk; we all agree with that. That war did bring about a great deal of industrial activity. It was a program of destruction; we were making goods and destroying them.

Mr. Bell: That is right.

**Senator McGrand:** What program can we develop that will provide the demand for goods in order to create full employment where it is needed?

Mr. Andras: Well, sir, there is a great deal of unsatisfied need in Canada at the present time in terms of housing alone, for example. We know that there is a tremendous deficiency of housing with respect to those of low incomes. They are badly housed and overcrowded. There is a shortage in the housing stock. My colleague, Mr. Bell, can probably give you the figures; I cannot think of them offhand.

However, to satisfy that demand would require a great deal of effort and produce a great deal of employment, not only directly at the building sites. Every job created at the place of building creates jobs elsewhere, in the furnishing industries, for example. It creates more employment in the stores and the marketplaces because of the larger number of people employed in construction who purchase more.

At the present time I do not think the Canadian people are getting all the health services they need. We have advocated what I would call a national health service for many years. This is another thing we have agitated for, Mr. Chairman. We should have an expansion of the health services. We need more of various kinds of health personnel. If we dedicated ourselves to providing a proper comprehensive health scheme in Canada we would have many more people employed there than are employed at the present time. Many of our people are not getting enough of other things that are desirable for them—education, recreation, even elementary things like clothing. If we set our minds and our efforts to satisfying the needs of the Canadian people, and, if I may go further, extending our involvement in assisting the developing countries, as they are called, to a greater

extent than we are now, we will find work for all those people willing to work.

Senator McGrand: I am not so much concerned about organizing the white collar workers as with the difference in pay in some of our industries. The mouth of the St. Maurice River in Quebec is probably the newsprint capital of the world. Is that not right?

Mr. Beaudry: That is right.

Senator McGrand: I do not know what the pay is among the pulp and paper workers in the Quebec industry; I do not know what it is an hour. However, it must be twice, maybe three times, the wage of the men who contribute to that in the more primary industries. Every ton of newsprint that goes out of that mill was first a log in some part of Quebec, which was cut by a fellow with a chain saw, yet the people in the paper mill are getting perhaps three times the hourly wage of the man who worked in the woods in the first instance. Is that not right? I am not so sure, but can you tell me about that?

Mr. Beaudry: If you compare them with the paper maker, with one of the highest skills in the paper mill industry, you are right. One of the major problems we are facing today is that in the logging industry in the Province of Quebec, or in most provinces except B.C., it is not a year-round operation. This is where the great gap exists. Where before they used to work for about six or seven months of the year to produce enough pulp for the paper mill, today, with mechanization of the industry, they will work about three months of the year and supply enough, and sometimes more wood than the industry would need. I think you will find the loggers, for instance in Quebec, will make up to \$50, \$55 and \$60 a day, which is sometimes more than the people in the paper mill, but it is the extent of the time they work that makes the difference.

Senator McGrand: You see what I mean. You say that they can do it in maybe three months.

Mr. Beaudry: That is right.

Senator McGrand: What do they get per day for that three months work? You say they may earn \$50 a day. I am sure you can find many people in the Province of Quebec, as in New Brunswick, who are working for about \$30 or \$35 a week. It does not seem fair that the price of newsprint should go up to \$120, \$130 or \$150 a ton, whatever it goes to, and one portion of the labour force gets a greater share of that increase than other people along the line. That is just a comment that I make, and that finishes my remarks.

Mr. Beaudry: Well, I would say, with regard to those people making \$30 a week, it is quite possible that some could be on their own, they are not actually the organized loggers as we know them, because today they are all under contracts, they cut for so much a cord and what have you. It is true, and has been for a great number of years, that most of my colleagues working in the lumber industry who used to go to Ontario to pulp, and what have you, are now staying mainly in Quebec. Their basic

problem is not the time they are working there, because the period is so short, but that they may then become unemployed for five or six months. If you average this out over the year, sure it may end up at \$30 or \$35 a week, but for the time they are working in the woods I think it has improved tremendously in the last eight or ten years; they have become highly organized in the various provinces. The basic problem is mechanization, which has reduced the cutting time to about two to three months now. This is a serious problem.

Senator McGrand: It is serious.

Senator Inman: I had several questions, a good many of which have been answered. However, there is one thing that Senator McGrand just touched on. You now seem to be concentrating on organizing the white collar workers. Do you not think the other types are just as necessary in our economy?

Mr. Beaudry: I do not see that we are concentrating on white collar workers. I think the type of worker coming into the labour market today is really shifting; the majority is now in the white collar field. If you take the average of the organized worker in the blue collar field and the white collar field, you will find that the white collar field is highly unorganized; there is a very small percentage of them organized, and we must move in that direction also.

The Chairman: You see how quickly we outdate ourselves. Once upon a time we said, "White collar, blue collar". Who wears a white collar today? It has lost its meaning. I look around here and find that only half of us, a minority, are white collar people. It is the same on the podium here. None of them is wearing a white collar. We have to use different terms.

Mr. Beaudry: We have not stopped organizing the people in service industries, and everybody else, although for those who remain to be organized it is much harder, and legislation in many provinces prevents us from moving into some fields, or to bring trade unionism to the workers as easily as for certain other sectors of the industries or provinces.

Senator Inman: There is another area I am thinking of. That is apprenticeship. I know it is outdated to a certain extent, but I always thought that in many cases it was rather a good thing with, for instance, carpenters or hairdressers and lots of trades. People did not need to go to grade 12 even; they could be apprenticed and learn their trade. I have in mind a man we met in a west coast city during our hearings throughout the country. Somebody there told me that this man was an excellent plumber but he could not get hired because he had no more than grade 3, or something like that. He was a man in his forties. This other person told me there was no better plumber in the whole big city but because he did not have that grade he could not work. He had learned his trade as an apprentice.

Mr. Beaudry: I would say, senator, that this man is not prevented from working because of trade union move-

ment but because of regulations that have been established in every province in Canada, whereby in order to be a plumber he must be licensed—not by the trade union movement but by the province itself. Therefore, if he fails to pass a written test that is provided by the various governments, it is very possible that he would be prevented from working in his trade. The requirements are going up consistently and continually. To pass some of these trades tests now required by some of the governments, anybody who has not got Grade 12 would find it very unlikely that he could pass them. If later on he does not go back to school to be able to fulfil the technical requirements of these new jobs, it is going to be impossible for him to find a job.

Senator Inman: It is difficult for a man at that age to go back to school. Do you not think that this is rather harsh treatment? Do you not think that somebody should be done whereby these people who are qualified should be able to have employment?

Mr. Beaudry: I would say that in the industry in parts where these provisions of the act do not apply this man could find himself employment. But I do not think he could in the construction industry, where the criteria is set, and set by government, are very stiff now. They are getting stiffer as we go along. There are many plants in industry which could use what is called a pipefitter instead of a plumber and where this man could get employment, where he would not be prevented by the trade union movement from going in there and being hired by the company and finding a job in the kind of skill that he can provide.

Senator Inman: Do you think there should be more and better facilities in manpower training, different types, where a man like that could go?

Mr. Beaudry: I would say that the federal Government now has made it possible for many of these people to improve themselves. There are thousands and thousands of workers now who are employed and who are following various types of courses, to be able to become reemployed once they come out. For instance, in some areas we have found that there were too many welders on the market and no employment for them. We have tried to break them in and teach them other skills where it would be easier for them to find employment. This will have to be done and continue to be done. There is a projection that somebody may have to change his trade two or three times, before too long, during his lifetime.

Senator Inman: Leaving out of this the meeting of the regulations of the Government, would you tell me how far do you yourself think that a person should go, to what grade should he have to go in school before being employable in the ordinary course of trade and labour?

Mr. Beaudry: This is very difficult to say. For instance, if a man decides that he has Grade 6 and decides to be a plumber, I do not think he can eventually become a plumber, because of the requirements of the legislation in most provinces. Even a welder today has to pass a very specific provincial test, in order to become a welder. Many of those are technical tests and anybody who has

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not gone beyond Grade 6 will not be able to pass those technical tests that are required of them—although he can be a welder.

Senator Inman: That is in regard to those tests laid down by the Government, but I am asking you what you think, yourself? Do you think he need have all this?

Mr. Beaudry: In a lot of cases, I would say yes. Not in all of them. For instance, we find companies today who to hire a truck driver require that he have high school requirements or 12 or 13 grades. We do not agree with this and we have fought this in a lot of cases. In so far as trades and crafts people are concerned, they are becoming and more sophisticated every day and becoming more and more technical. People have to read blueprints and interpret blueprints and it is becoming a rather hard and highly skilled job in most trades. Therefore, the requirement of basic education must naturally follow the requirements of these trades.

Senator Carter: I would like to continue with the reply which Mr. Bell gave to Senator McGrand. Senator McGrand referred to our having full employment in wartime and after Dunkirk. I asked is full employment possible, and he said yes. I would not quarrel with that, that it is possible, but my question is, can it be maintained? You might reach a point where you have full employment for a very short period but how long can you maintain it?

Mr. Bell: Certainly, senator, unemployment is not only the predominant No. 1 economic problem we are faced with—and I am very pessimistic that we are going to be faced with it for a number of years to come. We are not adopting the kinds of policies that are required to grade jobs fast enough to meet the increases, fairly large increases, that are taking place and will continue to take place in our labour force, as well as to meet the problems of those who normally become unemployed because of technological implications. I am hopeful that we will not continue the kind of severe restraint policies that we have been pursuing to combat inflation.

Senator Carter: That is not my question. You are getting away from it and time is getting scarce. I am not concerned about the economic policies at the moment. I am concerned about your references to full employment and growth.

Mr. Bell: But you have to pursue full employment policies and we have been doing that.

Senator Carter: All right. Let me give you a specific example. We had full employment policies on several occasions during the last decade. Whenever unemployment became a terrific problem you cut in with full employment, the Governments pour money into construction, they pour money into this and that, they give incentives to industry and have all sorts of programs in order to have full employment. You were talking with Senator McGrand about the pulp and paper industry and you used that as an illustration.

Let me give you another illustration. I am from Newfoundland and Newfoundland 20 years ago became part of Canada. At that time we had two paper mills, which employed 20,000 people. Today these two same paper mills have almost doubled their production and employ only 10,000 people. That is the trend, the technological trend. How are you going to maintain that industry? That is only the pulp and paper industry but it applies to almost every manufacturing industry that you can think of. Industries are not labour incentive today. How are you going to maintain full employment in the face of that trend, even with expansion policies?

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Mr. Bell: I do not think that the technological implications which you are stressing is an answer to all. We have heard for many years of the so-called automation revolution that is taking place and inclined to displace all kinds of people in the labour force. We do not hear these predictions so much now as we did.

Senator Carter: Will you stop there. Will you deny that that has happened in the paper industry? Will you deny that it has happened?

Mr. Bell: Yes, this could happen in a particular industry, sure. You have just given an example of that with the paper industry. That is a particular industry that has become much more capital intensive and much less labour intensive. This will take place with technological progress. There is no doubt about it. But my point is that with the pursuit of the proposals to keep the over-all economy rapidly developing, and given, as Mr. Andras cited a little while ago, all of the needs of the Canadian consumers-unmet needs, and I don't see any limit to those needs as a matter of fact-I have never been able to envisage reaching a particular point in time where we can say, well, we have met everybody's needs, because, as we know, the very technological changes that you were talking about in themselves are to a large extent responsible for creating additional needs.

Senator Carter: But your answer is premised on a false assumption, I think. You admit this has happened in the paper industry and then you go on to say, "but it is not happening in other industries".

Mr. Bell: We have all kinds of industries in Canada where productivity is not rising very rapidly.

Senator Carter: Apart from the services industry, give us some examples where technological advancement has not reduced the number of jobs.

Mr. Bell: Well, you have named one of the most rapidly-expanding parts of our economy. You have said the services industry—

Senator Carter: I said apart from the services industry.

Mr. Bell: Well, just dealing with the services industry, we can show you where, within the broad sector of the services, the technological revolution, or so-called technological revolution, is having relatively little impact in terms of displacing manpower I do not want to deemphasize the rate of productivity that has taken place,

but our productivity rate over the years, and, as a matter of fact, into the foreseeable future, has not been and is not going to be all that high. We hear all kinds of people talking about displacement of manpower because of the rapid rate of productivity increases as a result of the so-called technological revolution. We have not seen one shred of evidence to substantiate that view.

Senator Carter: Is it not a fact that once the Government embarks on an expansionist policy, which takes five or six months to take hold, or at least three or four, they then start first with construction because that is one that can speed up fast? Then you go on and the economy takes off and soars up. It reaches a point, and we have seen this over and over again, where eventually there is full employment. One or two years after that point you have inflation. What do you do then? Do you say that inflation does not contribute to poverty?

Mr. Bell: No, I do not say inflation does not contribute to poverty, because obviously those on low fixed incomes suffer whenever the consumer price index rises. We know that. We do not have to document that particular observation. But you have raised a very important question that is confronting the whole of the western industrial world. How do you bring about a reconciliation between the high level of employment, or full employment, as we prefer to call it, and so-called reasonablepriced stability? We very definitely need a new set of policies, and I would refer you specifically on this point to the Economic Council of Canada's Third Annual Review that went into very considerable discussion of this subject, all within 27 pages, as a matter of fact, on that particular Annual Review in so far as suggested policy measures, so-called supply policies, were concerned, that would complement the traditional general economic policies, namely, monetary and fiscal policies. These are policies that have not to any considerable or significant extent been implemented, but these are the kinds of policies that, in my view, are...

Senator Carter: Well, put it on record so we will have it.

Mr. Bell: Very briefly, because the Council goes into this in considerable detail, we need certain policies to rectify inflationary pressures that arise within our own domestic economy. These policies will not deal effectively with the kinds of inflationary pressures that we automatically import from abroad-primarily from the United States because of the very close economic interrelationship that exists between our two countries-but will deal with inflationary pressures that arise domestically. We can do a lot to cope with those. We can use so-called supply policies; specifically, for example, in labour markets or commodity markets, because we know that we do get bottlenecks in labour markets. We get situations in labour markets where employers are demanding particular numbers of skilled people and where those particular skilled people are simply not forthcoming in that particular local labour market. They may be available elsewhere at a fairly removed geographical position in Canada. This is where mobility measures and that sort of thing are required.

We get bottlenecks in the commodity markets where supply policies could help to prevent or avert, rather, those particular bottlenecks. But there is required here a whole range of policies, and these have increasingly come under the study and attention of the economists in the last few years.

The Chairman: Mr. Bell, if I recall correctly, and I am playing it from memory, the Economic Council, in the reference that you are making, was suggesting that we should have price and wage controls in specific, basic areas of our economy. Am I wrong in interpreting it that way?

Mr. Bell: Oh, no, no, sir.

The Chairman: That is not what the Council had said?

Mr. Bell: No. I would definitely oppose that. Very much so.

The Chairman: I would have thought so, but what can it mean, then? Do they speak of price control in specific areas?

Mr. Bell: The Economic Council?

The Chairman: Yes.

Mr. Bell: No. The work done by the Council arose out of a special reference made by the Government to that body to look into the whole question of the relationship between prices, costs, productivity and income.

The Chairman: That fellow Galbraith confuses me.

Mr. Bell: As you will recall, the Council in that Review in considering the whole question of inflation, and ways and means of coping with inflation, turned down the idea of an incomes policy, except under the most extraordinary circumstances; and then the Council went on to make suggestions with regard to dealing with inflationary pressures, primarily inflationary pressures that did have a domestic origin—that is, a domestic origin under high level of employment or full employment conditions.

Senator Carter: I should like to pursue this a little further. We cannot do much about inflation which we import, and which we have to import. But you spoke about bottlenecks that arose in the domestic situation. Well, these bottlenecks arise where you get a surplus of labour. And what does labour do to ease the problem there? Doesn't labour insist on taking advantage of this and taking more out of the economy in wages than it puts in production?

Mr. Bell: In strict economic terms, the price of labour is determined to a very large extent in the same way as the price of goods or any other service is determined—by supply and demand. When you get into a situation that existed, for example, in Kitimat some time ago where the demand for labour under those particular circumstances was very high relative to the supply, then of course

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wages do go up, but this applies right across the board. This applies also to economists, for example. Over the last eight or nine years the salaries of economists went up very largely, in fact solely, as a result of a very considerable increase in the demand for economists relative to the supply available. This is what happens whether you are speaking of industrial workers or professional people.

Senator Carter: But labour cannot have its cake and eat it. Labour is a commodity when there is a tremendous scarcity. I listened the other day to a speech by the new senator, Senator Lawson, in which he referred to percentage increases in wages and that they do not mean anything unless you take the base. Now, I remember a few years ago there was a settlement arrived at by the Seaway workers, and the commissioner in that instance recommended an increase of 30 per cent in wages for those particular people. I also remember that every other union coming subsequently to the bargaining table went on the basis of that 30 per cent whether there was a shortage of labour or not. This 30 per cent had been set and there was no reference whatever to the base in all the bargaining that went on. Now labour wants to have it both ways, and I don't think you can, and when you try to do that in my view you are contributing to inflation and you are contributing to poverty.

Mr. Beaudry: Basically I do not think it is right to say that we always ask for a percentage increase without taking care of the problem of the base. You are right in saying that every once in a while the trade union movement will go in for a percentage increase, but in a lot of cases what is not said is what we have done to increase the base rate. We have reclassification, as we call it, for instance, where we will reclassify the people on the bottom of the totem pole and at the same time get an across-the-board percentage increase. We have done that. Now to come back to one of the questions you have asked Mr. Bell before as to how far we can go in order to maintain full employment, there are a number of countries in the world who do not even have the wealth of natural resources that we have but who have managed their fiscal and monetary policies in such a way as to maintain economic stability and have also maintained full employment for over 25 or 30 years. There is no reason why this should not be done in Canada.

Senator Carter: Can you mention some examples?

Mr. Beaudry: Sweden is one, Germany is one and Italy has been one for a great number of years.

The Chairman: Economic stability in Italy?

Mr. Beaudry: Not economic stability, but stability of employment. Sweden is one of them for sure.

The Chairman: Yes, Sweden is one of them.

Mr. Beaudry: And Germany is another.

The Chairman: Yes, but in Germany it is for a different reason. Let us deal with Sweden for a moment. Every

worker in Sweden bargains on a national basis. He belongs to some organization or some group and is completely organized. He is able to bargain from a position of strength. That has been our argument here this morning and that is why we are saying to you—why haven't you done better than you have? You have told us why you haven't, and we accept it because we know there is a problem. That is the Swedish answer and we know full well that that has been done over a period of 50 years. We have pointed out time and again that the union men are not in a poverty line and you seldom find one of them there at all. So we can forget about that.

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Then Germany is a little different because almost from the end of the war the trade unions said "We will not bother with increased wages; we are not interested in increased wages; let us restore the country and work, and if increased wages come along, it will be alright". They took a no-strike pledge almost from the very beginning and they lived up to it. That is what happened in Germany. So they are not really comparable situations. I was waiting for you to mention Britain as an example of something good. The United States is not an example of anything good in this field as far as I can see, but Britain is. The British example is a good one in that they have minimal unemployment at the present time. I know it is for a different reason. But the other two are not good examples. I have heard them mentioned time and time again for the wrong reasons. That is why I have taken a few minutes to correct you, but now the platform is yours again.

Mr. Beaudry: But Great Britain never had the opportunities we have, and they still managed through fiscal and monetary policies to maintain full employment for years and years. It is only recently that they have had a serious problem of unemployment.

The Chairman: Let me give you a thought. The British are stable; they have a stable economy and they have been in the business for a long time. We are a growing country; we are moving ahead; everything in our country is changing overnight. Five years ago we were praying for the west to have the things that it needed. Today it has changed—they are a have portion of the country. This country is bouncing and growing and yet it is hard to keep employment up. It should be easier, but it is harder because we lack social capital, and we have not been able to sell that idea. That is what I was trying to tell you people—to get out and raise the hopes of the people. We seem to think that we lack the social capital to get full employment, but that is not so.

Senator Carter: Well, do they have a defence to the argument that when labour insists on taking out of the economy in wages more than they put in in production they are contributing to poverty? Are they or are they not?

Mr. Andras: With much respect, senator, your question is loaded and you are answering the question yourself when you put it in those terms You might just as well have made the statement about the Canadian Bankers Association where, when one bank raised its interest rates, all the other banks followed suit. That is your 30

per cent pattern on the St. Lawrence Seaway. And in Ontario when the Ontario Medical Assocation announces next year that it will increase its fees, every doctor in Ontario will raise his rates. This is the rule of the game in our society. Our unions bargain for as much as they can get for their members and when they stop doing that, they may as well just drop dead.

Senator Carter: Regardless of what it does to the economy?

Mr. Andras: We cannot control the economy.

Senator Carter: And regardless of whether it is really in their own best interests? Because we had figures before us when we were on the Consumer Credit Committee that showed us that the percentage of the G.N.P. that labour got over a period of 20 years remained constant. All that happened was that fewer stayed in and got more and the others dropped out of the labour market. You pushed people out of work by your policies, but you had a little more money for the ones who stayed in.

Mr. Bell: That has absolutely nothing to do with unemployment. Labour, through its collective bargaining institutions, behaves the same today as it did 10, 15, 20 years ago, when we had full employment, when we did not have the unemployment problem.

Senator Carter: No, that is not my point. When you bargain, do you bargain in the ultimate best interests? Are these excessive demands actually in the best interests of the person you are working for? Are you not really doing him more harm than good?

Mr. Beaudry: I sure as hell think so.

The Chairman: Senator Fournier?

Senator Fournier: I have no more questions.

The Chairman: Senator Hastings?

Senator Hastings: I was going to let Mr. Andras come up fighting again.

The Chairman: But, gentlemen, it is not very often that the committee has before it four qualified experts in this very field who have spent their life in it. Take advantage of it. I do not mean take advantage of them, but take advantage of their knowledge of this field.

Senator Fournier: I would have to back my good friend.

Senator Hastings: Getting to the subject of economic growth, Mr. Andras, do you not feel that we are forfeiting too much production due to price and lock-outs? I understand we have been losing man-days a hundred times greater than Sweden, which has labour courts to deal with disputes while a contract is in force and a highly centralized system of collective bargaining. There is no closed shop in Sweden and union membership is a matter of choice.

Mr. Andras: As to the number of strikes, the strike situation . . .

Senator Hastings: And lock-outs.

Mr. Andras: Yes, all right. The incidence of strikes and lock-outs since 1969 has been relatively high. I do not know how much higher, at least from memory. If you want, I could draw up a note for this committee and give the figures. They are monthly releases from the Labour Department. As I recall the figures, they are relatively high this current year, but they are still less than 1 per cent of the total man-days, as I recall the same figures.

I would put it to you, senator, that if you were to compare the time lost through strikes against the time lost through half a million men and women being idle, the amount of time lost in strikes would pale into the minutest insignificance. If we directed more attention to providing work for people to produce goods and services, you would not be at all concerned, or very little concerned, except in some marginal way, about the incidence of strikes and the lost time involved.

Senator Fergusson: I have one more question I would like to ask. I am sure that all the witnesses have seen the recent report of the Women's Bureau of the Department of Labour showing that the number of women in the labour force has increased very rapidly or greatly. Mr. Andras referred to women in the labour force and said that especially those in service industries were only there temporarily and moved in and out of different positions. I quite understand it. Of this large increase in the labour force there must be many women who do not come into that category at all. I would like to know if the number of women in trade unions has increased proportionately to the increase in the number of women in the labour force.

Mr. Andras: That is hard to answer, senator, because up to the time the Corporations and Labour Unions Returns Act was enacted no statistics were maintained as to the number of men and women members. I would say this, from my own observations, and this is the best I can do under the circumstances, that there has been more than a proportionate growth in the number of women in the labour movement, for the reason that recent growth in organization has taken place in fields where there are large numbers of women. I mean by that government, health services, education and other service industries. For example, the employees of the Government of Canada are now almost 100 per cent organized or, at least, represented by bargaining agents, and a very substantial proportion of these organized employees of the Crown in right of Canada are women. The growth of organization in hospitals meant a very large increase in the proportion of women who are trade union members. The same would be true in nursing, for example, which has become more and more an institution that engages in collective bargaining. It has always been true in education. To the extent that we are increasingly successful in organizing among the so-called white collar workers, that is becoming more so.

Senator Fergusson: I would like to know too, if the numbers of women in the trade unions are increasing, are many of them being recognized and elected to union positions? Poverty

Mr. Andras: I can tell you this, senator, that I happened to be at a conference recently of the Textile Workers Union of America in Toronto. I was talking to the Director of that union—a union with, I suppose, a 60 per cent ratio of women in the work force—and he tells me that a very considerable number of local unions under his jurisdiction have women presidents. This, to me, was a very interesting and significant fact that he drew to my attention.

Here in Ottawa, for example, the local area council of the Public Service Alliance of Canada, which is an organization representing between 30,000 and 40,000 public servants, was, until very recently, presided over by a woman. I think this is becoming more commonplace in those occupations where women play a dominant role. I cannot give you statistics, senator. In our trade unions we have never sought to make that kind of distinction.

The Chairman: I would like everybody's contribution who wants to contribute, but I have one question. Assuming the figures of poverty-stricken, by definition as we know it now—the Economic Council's definition, which by the way we do not accept, but nevertheless it is there. Assuming there are four million and assuming, for the moment, that half of them, two million of them, belong to that group you described and you agreed, were the disadvantaged. They are not in the labour force, their position does not change from time to time, and we can do something for them and provide for them decently. You said that in your brief, and we agree.

We now come to a phenomenon of the century that is really the crux of our problem, and it is causing us an endless amount of trouble. We find that there are people in parts of this country who are working for minimum wages full time, and who in the end do not earn as much as man with the same size of family can receive on welfare. There is creeping in the feeling that these people who are not working are being rewarded for laziness. There is a harshness growing up which is aggravated by the fact that a man who goes to work notices that another man who is not going to work receives more money. I am relating you all this, but you know it all so well.

There has also grown up in this country an attempt to deal with this problem by subsidizing the working poor through the welfare system. We see great dangers there. There is the danger of making the minimum wage meaningless. There is the danger of the re-emergence of sweat shops if the Government were to subsidize the working poor through the welfare system.

No doubt you have given this a great deal of thought. How do you think we should deal with that particular problem? You will say: Raise the minimum wage. We realize that that is one way, but we also appreciate that there are fringe areas and fringe industries in which it would be difficult to raise wages very quickly

In the light of the things I have mentioned—and I think I have all the facts there—what is your view of how we ought to deal with these people?

Mr. Andras: You have to do more than one thing, Mr. Chairman, in that respect. Certainly the minimum wage must be improved, and it must be frequently reviewed to see that it does not lag. Certainly I would refer to the things my colleague, Mr. Bell, has said on a number of occasions. You have got to make the economy more dynamic so that there are more work opportunities to which to direct these people who are able to work-and that is the group you are asking us about. In addition to making work available through a full employment economy, the people, and particularly those who have been in those circumstances for a long time, have to be assisted through the social services, whether it be by means of education or the kind of guidance that can be given by a skilled social worker, or medical rehabilitation, or whatever it is. There are many ways of accomplishing this. They have to be brought back into the main stream of life in the community so that they can participate actively in it.

This is not a rapid process. It is a slow and painful process, even in the best of times.

If these things are not done—if minimum wages are kept low, if we do not pay sufficient attention to the transfer payments that we have and let them become obsolete—then we will have what appears to be a paradox. It is, in many respects, a paradox. As you said, one man goes to work and earns the minimum wage, and receives less than his neighbour who is on welfare.

The Chairman: Mr. Andras, it is all very nice for us to sit back and say: "We know this", but the problem is an immediate one. We have been closing our eyes to it for too long. We have ignored it, and we are now beginning to face up to it. We have to do something today or tomorrow. We have to do something for these people.

Mr. Andras: You said the problem is immediate, but it is immediate in this respect, that we have only relatively recently begun to focus attention on it. The fact is that it has been a long lingering illness, and you cannot effect a quick cure by snapping your fingers.

The Chairman: We are getting to the discussion stage now, which is very useful. I know you cannot solve the problem by snapping your fingers, but for your information there are approximately 4,000 heads of families in Canada at the present moment who receive assistance although they are fully employed. They are receiving assistance because they are able to get more if they are on welfare. These 4,000 heads of families do not represent a serious problem at the moment, but they are beginning to move into the welfare system. What I am saying is that if we allow them to move into the welfare system then we will be making, as I have said on other occasions, a monumental mistake. We have to do something about that matter now. Once they get into the system it will be almost impossible to get them out. That is what I am saying to you. Sure, the problem has been there for some time, but we are just now beginning to recognize it and to deal with it. That is what is worrying

Mr. Andras: Every time you ask a question, Mr. Chairman, you open a whole complex of new problems. We can just touch on them in our brief which, unfortunately, is a brief one. We can just skim the surface.

Let me take the example of a good, honest, hard-working man who earns \$2 an hour. He happens to be married and has seven children. Next to him at the workbench is another man who is also married but with only one child and who makes the same \$2 an hour. Now, that is a gross inequity in terms of social need. There are ways of dealing with it. One way of dealing with it that we have adopted since 1944, almost a generation ago, is by a system of family allowances. That is unsatisfactory because we have allowed our family allowances to be frozen, and to that extent they have become increasingly obsolete. I would put it to you that because we have failed to deal with the problem effectively through the family allowance we should—and it is perfectly legitimate, in my opinion-supplement the income of the man with five or seven kids by an assistance payment, because the \$2 an hour for him will not what it does for the other man who has one child. That is a legitimate function of a social assistance program. In our brief we criticize a means or needs test as a substitute for family allowances, but we have never said, for as long as I have been familiar with our movement, there is no place for a social assistance program. It has a legitimate role to play in any system of social security in our kind of country.

The other alternative, of course, is the one we would prefer to see put into effect, and that is a substantial improvement made in that man's rate of pay, and an improvement in the transfer payments which he would get as of right, and an improved system of family allowances, so that he can, through some other means, increase the income that he has to the amount that he requires.

The Chairman: What do you think of the British suggestion which increases, by virtue of a negative income tax, a man's allowance, and at the same time makes provision for the children?

Mr. Andras: Well, the negative income tax is a way of getting at this problem. In our submissions on the White Paper on taxation we suggest that the tax system be used either negatively or positively to effect a redistribution of income in this country.

Senator Carter: Does the C.L.C. do any research on the employment of immigrants. Has its attention been drawn to cases of qualified, skilled, and capable immigrants who have not been able to find work because the jobs are not available but whose entry is permitted by our immigration policy? Have you carried out research as to the extent of this problem?

Mr. Bell: No, we have not undertaken this as a specific project, senator. This, of course, applies not only to immigrants who are skilled and educated. It takes us back to an observation that was made earlier, namely that we have coming on to the labour market now many educated people, whether from abroad or our own people. This opposes an increasingly difficult problem of a type which we did not have even a few years ago.

Senator Carter: This follows upon Mr. Andras' reply earlier with respect to the lack of information regarding jobs and Manpower's inability to supply it.

Mr. Andras: This is not a universal phenomenon. However, in Toronto, where we have a very large concentration of union membership and our largest labour council, that council has established a committee to deal with the problems of immigrants who have entered the labour force and come into contact with our trade unions. They recognize the special problems of immigrants in assimilating themselves to the needs and customs of the country.

Senator Carter: My question related more particularly to the policy which permits immigrants to come to Canada, even though qualified, when it is impossible to find work for them.

Mr. Andras: We have made representations with respect to that from time to time when we have had the opportunity to appear regarding questions of immigration. When the White Paper on Immigration was tabled in the house a few years ago we appeared before a committee of the House of Commons and drew attention to the hazard of unregulated or unplanned immigration. We thought it was wrong and we still do so, to make promises to people in England, Germany, Switzerland, The Caribbean or elsewhere encouraging them to come here only to find them out homeless and jobless on the pavement.

This is an immoral thing in one respect and poor economic planning in another.

The Chairman: Gentlemen, this has been a very valuable morning for us and a very interesting one. Mr. Beaudry, on behalf of the committee I wish you to know that we appreciate your presentation very much.

We are a little precise in our questioning because we think you should know what the score is, and you do. That should not surprise anyone. You represent two million working people in Canada, which is quite a number. You are highly skilled and competent and have been in the Labour movement for a very long time.

We are in very deep trouble as a committee in endeavouring to arrive at solutions for very difficult problems. We reached out to you and you were helpful today. On behalf of the committee I express my appreciation.

Mr. Beaudry: I certainly wish to return the compliment on behalf of the Congress. It certainly was a very interesting day. It is evident that senators present have read our brief and are interested in it.

We certainly hope, Mr. Chairman, that if we can be of assistance in the preparation of your report by supplying you with more information that you will call upon us.

3-11-1970

The committee adjourned.

Poverty

APPENDIX "A"

Submission by the

CANADIAN LABOUR CONGRESS

to the

SPECIAL SENATE COMMITTEE ON POVERTY

November 3, 1970

Ottawa

Mr. Chairman and Members of the Committee:

We welcome the opportunity to present this statement to the Special Senate Committee on Poverty which has been assigned the important task of investigating the problem of poverty in Canada. The Canadian Labour Congress, which is the major trade union centre in this country, represents through its many affiliates, some 1,650,000 union members. The subject of poverty, like all other social and economic problems, is of great concern to those whom we represent.

We have not attempted, for the purpose of this submission, to estimate the magnitude of poverty in Canada. This would be a superfluous exercise on our part, since your Committee has undoubtedly had access to the most comprehensive data available on low-income families and unattached individuals. Furthermore, others have undertaken inquiries into the magnitude of this problem, and their conclusions invariably support the view that poverty is a problem of major proportions in this country. For example, the Economic Council of Canada, which undertook a major study of this problem, tersely stated: "Poverty in Canada is real. Its numbers are not in the thousands, but the millions. There is more of it than our society can tolerate, more than our economy can afford, and far more than existing measures and efforts can cope with. Its persistence, at a time when the bulk of Canadians enjoy one of the highest standards of living in the world, is a disgrace." (Fifth Annual Review, "The Challenge of Growth and Change", September 1968, p. 103.)

That observation can hardly be described as dramatic given the Council's findings as to the size of the poverty problem. You will undoubtedly recall that the Council estimated that about one Canadian nonfarm family in four, based on 1961 census data, was living in poverty. While this proportion has undoubtedly declined to some degree by the relatively strong economic growth which occurred during most of the 1960's, poverty continues to be a major social problem in this country. The Dominion Bureau of Statistics has estimated, on the basis of the same low-income cut-offs used by the Council, after adjusting these for rising consumer prices, that nearly one-fifth of all families and two-fifths of unattached individuals were living in a state of poverty as recently as 1967.

Estimating the extent of poverty involves, of course, a subjective judgment as to how poverty lines should be defined in income terms. The DBS adjusted "cut-offs" in 1967 dollars were approximately \$1,740 for unattached individuals; for families with two, three, four or five or more members the limits were \$2,900, \$3,480, \$4,060 and \$4,640 respectively.

These income limits, or poverty lines, can scarcely be considered to be on the generous side. On the contrary, we, and many others, regard such income "cut-offs" as being very conservative when the needs and expectations of people in our present society are taken into account. If anything, these poverty lines considerably underestimate, from our point of view, the real magnitude of poverty in this country. It is our hope that your Committee, which has now had the benefit of long and intensive study of the poverty problem, will recommend more realistic income criteria, based on family budgets.

that might be adopted as an official definition of poverty. As you are well aware, Canada to date does not have an official definition of poverty expressed in income terms. We would hope that such a definition would be revised at regular intervals to keep it abreast of the economic and social changes which are constantly taking place. As average incomes and living standards rise, poverty criteria, which are always relative to any point in time, will change. Nothing can be more misleading than making current judgments based on past definitions of poverty lines or income cut-offs, especially when minimum income and welfare needs have changed. What may have been regarded as non-essential, or even luxury, goods and services at some point in the past may now be regarded by society as basic and essential to a decent minimum living standard.

While poverty in Canada has been regarded only in recent years as a political question, i.e., something to be seriously considered and acted upon by governments, the literature on this something to be seriously considered and acted upon by governments, the literature on this somethias been abundant over a long period of time. Social scientists of various disciplines have shed considerable light on the causes of poverty and the identification of the poor in terms of one or more common characteristics. There would seem to be a general consensus that the poor in our society fall into two broad categories: (a) those who are chronically incapable, even under the best of economic and social conditions, of earning a decent living because of serious physical, mental or emotional handicaps; and (b) those who are handicapped because of economic and social disadvantages often beyond their control. Many in the first category may never, even with the most enlightened and progressive measures, be enabled

to earn a living above the poverty line. In such cases, special income and welfare measures must be devised to enable these people to enjoy a decent standard of living. Wo society which regards itself as civilized can ignore the plight of these people, who perhaps will always constitute a very small minority of our total population. Humanitarian reasons alone demand that the needs of such people be accommodated by the majority which is more favourably endowed. That we have the economic means to provide decent living standards for these handicapped people cannot be challenged. Canada, with the second or third highest per capita income in the world, is in a literally superb position to ensure that these small numbers in our society are not deprived of decent basic standards. Anyone who challenges this assumption is either ignorant of our potential for helping indigent people, or is completely indifferent to their plight. The economic facts of our country are such as to lead to no other judgment.

The second broad category of persons who are poor, and who comprise the largest majority of those living in poverty, are potentially employable at average wage and salary rates. Various studies indicate that some of the main reasons for their impoverishment is limited formal education, lack of adequate skills, a deplorable lack of information about the labour market, discouragement and frustration from repeated rejections in seeking employment and poor health.

Before we turn to more specific measures for coping with the problem of poverty, it is necessary to observe that a generally favourable economic

environment is essential in the war on poverty, i.e., a sustained high level of economic growth and full employment. While this is far from being the sole remedial method in tackling poverty, it is of utmost importance if other select measures are to have any reasonable effect on the problem. A high growth rate, with all that means in terms of creating job opportunities, can have a marked influence, as past figures show, in reducing the number of poor. Conversely, a marked slow down in the rate of growth, with a consequent decline in job opportunities, will exacerbate the poverty problem irrespective of what other remedial measures may be adopted.

Those suffering from a lack of education, or a deficiency of skills, tend at most times to have a tenuous relationship to the labour force. In periods of economic slack, when the demand for labour diminishes, they are usually the first to be laid off. Furthermore, persistent periods of high unemployment cause a slow down in opportunities for work upgrading and pay for many employees, with the result that poverty is increased even among many who manage to retain their employment.

The high unemployment rates which Canada has been experiencing in the past few years have created an environment which not only breeds poverty, but renders comparatively ineffective those measures which are designed to equip the potentially employable with the skills and education necessary to succeed in the labour market. It makes little sense to improve the skills of the underskilled, or to upgrade the education of the undereducated, if they are only to be confronted with the lack of job opportunities. There is no

more frustrated person than he or she who is eminently qualified for work only to find that there is no work available. Yet this is precisely what has been happening in too many cases over the past few years.

The federal government's pursuit of tight economic restraint policies to combat inflation have had not only a sharp adverse effect on the employment opportunities of many who otherwise would have no difficulty in finding or retaining employment; they have also worsened the prospects of the poor who will have virtually no chance of getting employment until workers who have greater work experience and a much stronger attachment to the labour force are re-employed. To talk of amelionating the poverty problem by finding gainful employment for people who have a weak or no attachment to the labour force, given the current Canadian economic environment, with nearly 7 per cent of the labour force unemployed (on a seasonally adjusted basis), is to engage in an exercise of futility. If this high unemployment were only a temporary situation, the point might not be worth making. But unemployment for a number of years to come is likely to be the most serious economic problem facing Canada. Until the unemployment problem is resolved, until we as a nation decide to accord top priority to full employment policies, the best of efforts directed towards finding employment for the potentially employable will simply be frustrated,

Highly specialized manpower programs are urgently needed to help the poor gain employment. Much better information on employment opportunities and more effective counselling services, as well as improved training

facilities and mobility measures, are especially indispensable to the poor who have little or no attachment to the labour force. Manpower programs, if they are to be effective, must be specially tailored by the Canada Manpower Centres to meet requirements that are unique for those who have become handicapped because of economic and social deprivation.

While we believe that full employment policies are important in helping to eradicate poverty, we realize that this goal cannot be achieved overnight. The extent of unemployment is now such that even energetic measures would require some time before all those able and willing to work could be absorbed into the labour market. There are, however, other measures which could be introduced and whose influence could be felt almost instantly. Such measures would also reach out to that large section of the population which is not in the labour force and many of whose members suffer from the effects of poverty. We refer to the aged, dependent children, the physically and mentally disabled and others who rely in whole or in part on transfer payments. What we are suggesting to you here is that an important instrument which must be perfected if it is to be effectively applied against poverty is Canada's system of social security.

It is unfortunate for all concerned that this submission must be made before the White Paper on Social Security has been tabled. Until this document becomes public it is impossible to determine governmental policies and to appraise their effectiveness. It may be that the proposals we make here have already been anticipated by the government and that we may look

forward to their early implementation. On the other hand, it may be that the White Paper will fail to meet the needs of those who by Canadian standards suffer from deprivation. The proposals which follow represent the views of the Canadian Labour Congress as expressed to the Government of Canada over a period of years.

Efforts to eliminate poverty should not seek merely to raise living standards from mere subsistence to a level slightly above it. If a program is aimed at improving incomes, it should not simply provide income to purchase enough food, clothing and shelter to provide a modicum of comfort. Public policy should be more generously directed and the redistribution of income which transfer payments seek to bring about should result in a significant improvement in the well-being of those who by common agreement have been defined as being poor, as well as some of those income groups above them.

Social security, as we see it, is not an aggregate of measures aimed solely at helping to keep body and soul together but at enabling the disadvantaged to share in the well-being enjoyed by others in the community. We take as our standard of social security a definition put forward by Dr. A. J. Altmeyer, who is known as the father of the social security system of the United States. He said that: "In its widest sense, social security is a general term which includes all the good things of life, good health, education and housing, full employment, and a sufficient income to provide a satisfactory standard of living." This, we submit, is the objective which ought to be reflected in the recommendations which your committee will undoubtedly make in submitting its report.

A basic objective, of course, is to seek to provide every person in Canada, as a minimum, with a combination of income and services which will permit a standard of living consistent with health and self-respect. With regard to services, we are on record as being strongly in favour of a universal and comprehensive system of health services without any economic barrier interposed between the user of these services and their providers. This goal has yet to be achieved in Canada, and until it is many of those who are deemed to be poor (and others as well) will be deprived of the full range of health services which they should have if they are to remain healthy or to be restored to good health to the extent that the medical arts and sciences make this possible. For those afflicted by poverty, the need for extensive health services is even more important than for others since they are likely to be more susceptible to illness and - as a very consequence of their poverty less prone than others to make use of even those services which are readily available. The provision of a full range of health services ought therefore to be one of the main thrusts of a larger program to overcome poverty and its consequences. There is no need for us to engage in any elaborate description of what kind of services we have in mind. They are described with elaborate detail in the Report of the Royal Commission on Health Services, one of the landmarks in Canada's social history.

Another service, which ought to be available, has undoubtedly been brought to your attention many times. It is probably sufficient for us simply to make reference to it. We have in mind an extensive system of facilities for the care and protection of the children of working mothers. Indeed, many

mothers who could supplement the family income are denied the opportunity to do so because of the lack of adequate child day care facilities.

You have undoubtedly had representations on shelter as a component of the problems of the poor. Here again it is not necessary for us to engage in any elaborate statements as to the extent of the housing shortage in Canador how that shortage hurts the poor in particular. No statistical evidence would have to be brought forward to demonstrate the fact that poor people live in sub-standard housing, in run-down neighbourhoods, in over-crowded conditions and at rentals beyond their means. Good housing is an indispensable aspect of the good life and it does not matter in this context whether the house is privately owned or rented, whether it is a self-contained house standing on its own lot or an apartment or some other kind of housing unit. It is to us a sad commentary to recall that during the Second World War an enormous amount of energy was expended in planning for improved housing for Canadians as part of post-war reconstruction. Now, a quarter of a century later, the problem is still with us despite the enormous volume of housing which has come into being during that period. We are pleased to note the increasing attention being paid by Parliament to the housing needs of the poor and hope to see it materialize in a substantial increase in low-cost housing in the foreseeable future.

In dealing with housing, we would be remiss if we did not refer to the environment in which such housing is to be found. Although there is a fair amount of rural poverty, and we share the general concern about it, we are as an organization intimately involved in the lives of those who live in towns and cities. It is there where the growing majority of Canadians reside. It is therefore important that the city be a place of comfort and not of squalor. Any program to increase the quantity of housing available to Canadians, and to poor Canadians in particular, must devote itself to the urban environment as well. Slums must be eradicated. Open spaces such as parks and playgrounds must be provided for and other measures taken to make possible a wholesome existence.

Regardless of the degree and quality of services available, however, the need for an adequate income is an indispensable prerequisite to changing a status from that of poverty to something better. Much attention has been concentrated on the guaranteed annual income as a device for bringing this about. We would be in bad company indeed were we to indicate our disfavour of such a proposal. But we would simply point out that although the term "guaranteed annual income" is relatively new, the concept is not. Long before it became a catchword, we and others (including the Canadian Welfare Council) were advocating that every Canadian should be assured of at least a minimum income which would make possible a healthy existence. The principle itself has for some years now been enshrined in such legislation as the Old Age Security Act, even though that Act has been criticized by us and by others for the fact that the amount guaranteed was insufficient to provide a satisfactory standard of living.

The guaranteed annual income has now taken on a somewhat more technical meaning, since there has been a number of specific proposals as to how it should be administered. There is no need for us here to examine them in detail. Basically, as we understand them, they are intended to make up. in part at least, the short-fall between what income is actually received and what is required to meet a predetermined target of minimum income. This minimum may vary depending on the size of the benefiting family. The guaranteed annual income, in whichever format it is proposed, is aimed at those who for whatever reason live below the minimum income considered necessary for a proper standard of living. To the extent that it sets out to reach that goal, we are in favour of it. But we would not wish to see it become a substitute for and swallow up already existing programs which serve a different purpose.

We repeat what we have indicated above, namely, that we support as a generality what has now commonly come to be referred to as the guaranteed annual income. By that we take it to mean that some mechanism, possibly a negative income tax, would be instituted whereby deficiencies in income would be made up out of public funds. This would undoubtedly be a valuable and relatively efficient way of coping with the problem of the working poor to whom we have referred earlier in this brief. It would also be a means of supplementing the incomes of those who are in receipt of other forms of income, whether public or private, but whose total income falls short of what by common consent is necessary for everyone to have as a minimum. It may well be that the guaranteed annual income may become a substitute for social assistance

programs, at least to the extent that those programs provide financial support rather than services. We therefore commend the guaranteed annual income to you as a means of alleviating if not eliminating poverty. Our concern here would be that the minimum which is underwritten by the state should be sufficient to enable those so assisted to enjoy a standard of living which will give them self-respect as well as satisfy their basic needs and encourage them as well to take advantage of opportunities for social and economic rehabilitation.

We would be opposed to seeing the guaranteed annual income take the place of such programs as unemployment insurance, workmen's compensation, or the Canada and the Quebec Pension Plans. We consider that these programs of social insurance have a specific role of their own for which the guaranteed annual income would be an imperfect and unsatisfactory substitute. These are programs which provide for income maintenance rising out of loss of wage income. The benefits are wage-related and this relatedness is not necessarily confined to minimum subsistence levels. They play an important and necessary role in our social security system and need to be improved rather than eliminated. We would similarly be opposed to seeing the guaranteed annual income swallow up and become a substitute for old age security and family allowance benefits. These too need to be improved rather than eliminated. By and large, we see the guaranteed annual income as a supplement to rather than a substitute for most other programs.

We have recently expressed our views in some detail on the White
Paper on Unemployment Insurance in the 70s to the House of Commons Standing

Committee on Labour, Manpower and Immigration. We do not propose to repeat them here and will be pleased to provide your Committee with a copy of our submission if you so wish.

With respect to the Old Age Security Act, we have repeatedly argued that the amount of benefit payable was too low in itself to provide for a satisfactory standard of living. There is an abundance of evidence that a very large number of those who are 65 and over live on the old age security benefit alone or on little else. This ultimately led the government to introduce the Guaranteed Income Supplement. We are not satisfied that the two measures either taken together or separately satisfy the needs of the elderly poor, We have advocated that the Old Age Security Act should be amended to provide for a basic benefit of \$125,00 a month and that the Guaranteed Income Supplement should be set at a maximum of \$50,00. There would thus be a joint benefit of \$175.00 a month or \$2,100.00 per annum for those who are able to qualify for both. We have also argued that the two benefits should be fully protected against price increases and not merely to the limited extent that is now the case. Furthermore, the benefits under these two programs should not only have their real purchasing power preserved, they should also be improved from time to time as the general standard of living for the community as a whole moves upward. The aged poor should not have their particular standard frozen as it were even though in absolute terms that standard may provide a modest degree of comfort.

The Canada and Quebec Pension Plans were designed to protect wage earners and their dependents against a variety of contingencies and to that extent preserve them against poverty as we understand that term. However laudable the goal, this is not likely to be accomplished. The benefits have been set at too low a level and, in view of other provisions of the legislation, it is likely that the benefits payable will become increasingly less capable of enabling the retired wage earner, the disabled wage earner and his dependents, the widow and the orphan, to get along without income supplementation from other sources. Another and obvious defect in the legislation is the built-in maximum to compensate for price increases. Here our criticism is the same as in the case of the Old Age Security Act and the Guaranteed Income Supplement and so is the solution.

A considerable number of wage and salary-earners are now employed in establishments where there is a private pension plan. This is in itself a desirable phenomenon, one which is encouraged as a matter of public policy through the tax mechanism. While many workers are in establishments with pension plans, it does not follow that all of them are covered by these plans or that all of them will emerge at retirement age with a pension, assuming that they survive up to that point. This is due to the features of these plans, such as unduly rigid admission rules, optional participation or restrictive or non-existent vesting provisions. The limitations which have been imposed by some private pension plans have been recognized in the various jurisdictions and legislation has been enacted establishing certain minimum standards to assure the solvency of these plans and to guarantee at least a

minimum degree of vesting so that the employee who has become separated after a prescribed minimum period of service will be assured of some pension entitlement upon attaining normal retirement age. We consider this to be a desirable development but one which has not gone far enough. We ask you to examine private pension plans and their public supervision and control in order to determine to what extent these plans may be made more effectively a means of providing for economic independence for the retired worker and thus make it less likely that he will fall into the poverty category.

For over a generation, Canada has recognized the problem of the cost of rearing children. Family allowances were introduced to supplement wage income in that connection since wages are not geared to family size. The principle itself is sound and we would not wish to disturb it. But the value of family allowances has been seriously diminished by the fact that the scale of benefits has remained virtually unchanged since the introduction of the legislation in 1944. In the meantime, wages and salaries, prices, living standards and expectations as to such standards have risen very considerably. Accordingly, the role of family allowances as a contributing factor towards the well-being of the family with young children has gone down.

We are not concerned with those families where wages, salaries or other income are adequate and where the family allowance benefit is no more than a minor supplementation to the total income enjoyed by the family. We are concerned about families with low incomes and particularly so where families are fairly large. In those circumstances, family allowances should

play a much more important role. It is not simply a matter of increasing benefit rates. We believe that our family allowances system should be reviewed in order to cope more realistically with the cost of rearing children at various ages and with the much greater needs of families with many children as against those with only one or two. We wish to state here as a matter of record that we would be opposed to a substitution of a means or needs tested program of family allowances in place of the current universal program. We favour higher benefit rates on a universal basis but with the benefit made taxable so that the tax mechanism would recapture payments made to those who are not in need of them. We have in mind here not only family allowances but youth allowances as well. We would, in fact, extend youth allowances for a much longer period and at higher rates in order to encourage the children of the less well-to-do to continue with their education.

There is now general recognition in Canada and indeed in many countries of the world that no employee should be allowed to work at a rate of pay which is unduly low. This is reflected in the enactment of minimum wage legislation which is now in effect both federally and in all the provinces. We consider such legislation as a necessary instrument for combatting or preventing poverty. The test of the minimum wage in that respect is, of course, its adequacy. We have reservations as to its efficacy in that respect even though the minimum wage rate in a number of jurisdictions has recently gone up. The minimum wage is kept at too low a level in view of wages generally and as a consequence the employee who is compelled to work at that wage receives an amount which is not only low in absolute terms but low

relatively as well. A further defect of our system of minimum wages is that the rates are not reviewed with sufficient regularity. We would favour regular and frequent review. We would also favour a system whereby the minimum wage would be related in some way to wage levels generally so that the minimum would rise as wages as a hole went up. In times of rapidly rising prices, it is obviously important that the minimum wage should be very frequently adjusted so that its real purchasing power should not be eroded. We draw your attention to the fact that Canada in 1964 voted in favour of an ILO resolution which, among other things, stated that:

"Adequate minimum standards of living should be ensured through the establishment of a dynamic minimum wage level and a dynamic level of social security measures adjusted periodically to take full account of economic growth and to have due regard to increases in the cost of living."

The representations which have been made to you and your own investigations provide substantial evidence that the administration of social assistance in Canada is far from satisfactory. The adequacy of the benefits is open to serious challenge. Applicants for welfare payments are not treated with the consideration which they should have a right to expect. The opportunity to seek redress against an unfavourable decision by a welfare officer is limited or non-existent. The failure of social assistance programs in these and other respects confirms the long held view that those who must submit to means or needs-tested programs must undergo a demeaning and humiliating experience. Yet this was not intended to be the case. The Canada Assistance

Man, out of which federal grants-in-aid for social assistance are made available, was intended to improve standards in all respects. Clearly it has not succeeded in doing so. We ask you to deal fully and firmly with this particular aspect of poverty and those who are affected by it. With respect to adequacy of benefits and the capacity of the provinces to maintain them at a desirable level, we question the present system under the Canada Assistance Plan under which all provinces get the same proportion of total expenditures regardless of their own resources. We consider that this equal sharing by the federal government with the provinces is in fact less equal than it appears to be since it places a much greater burden on the poorer provinces than on the wealthier ones. It is far more difficult for the Atlantic provinces, for example, to make do with a 50 per cent share than, say, Ontario. Consideration should be given to a sliding scale of federal grantsin-aid which would help those provinces most which need it most, that is. those with higher levels of unemployment and those with higher ratios of welfare recipients to population,

We are strongly in favour of providing ample opportunities for welfare recipients to enjoy the right to express their views collectively on matters affecting them and to be able to intervene in the determination of decisions which affect their well-being. This is not only the exercise of the right of association which should be as much available to them as to others but a desirable means for the preservation of self-respect in difficult circumstances. We strongly support the right of appeal and in this respect urge you to recommend an appeals procedure which is fair and effective and which is made known to all beneficiaries under the program. We felt that

the Canada Assistance Plan was good legislation when it was introduced. It has not been used as effectively as it might be and we urge you to draw attention to this in your report.

We turn, in conclusion, to another aspect of poverty which we have not yet touched upon. We have in mind the fact that the majority of Canadian wage and salary-earners still are not members of trade unions. We are convinced, on the basis of our own experience, that an effective means of raising workers out of the poverty or near poverty level is to provide them with the collective economic strength which membership in a trade union brings about. As a generality, the broad mass of trade union members are not poor in the sense in which you are dealing with poverty as a subject. They are hardly among the affluent, but they enjoy better than minimum incomes. They also enjoy a variety of fringe benefits which are a form of indirect income and which enhance their living standards. The working poor, on the other hand are in almost all instances employed in establishments where there is no trade union.

In view of the fact that there is now labour relations legislation throughout Canada and that under such legislation the right of association is apparently well established, you may assume that those who do not join trade unions abstain on their own volition. This is not entirely the case. Although public attitudes to trade unions have changed considerably over the years, the right of association is frequently frustrated by the intransigence of employers and the indifference of the community to the exercise of that right. We believe more workers would take advantage of the opportunity to become trade union members if they were not inhibited from doing so.

We believe that trade union membership is desirable because the trade unions are successful in raising wages and historically have improved the real purchasing power of their members. Trade unions exercise a redistributive function so far as incomes are concerned. They are thus capable, in the case of wage earners at least, of diminishing the number of the poor and increasing the number of those who enjoy some degree of economic wellbeing. Trade unions as a whole are furthermore one of the major voluntary institutions in our pluralist society. They are what Professor Galbraith has described as one of the countervailing forces in such a society. We believe, therefore, that a more enlightened approach to trade unions and to the right of association would not only be positive developments in themselves in terms of the kind of society we live in, but also a contribution to diminishing the number of the poor and the disadvantaged. By the same token, support could and should be given to co-operative institutions which enable people to engage in self-help and which, as experience has shown, have enabled people with low incomes to enhance their well-being. We have in mind consumer co-operatives, credit unions and other forms of co-operative enterprises.

We have suggested to you a number of measures which we consider to be useful, even necessary, if poverty in Canada is to be overcome as one of this country's most severe problems. It undoubtedly lies at the very root of the social and political unrest which is now disturbing the equilibrium of Canadian life. We commend you for the intensive interest

which you have shown in this subject and the concern which you have displayed as you have pursued your investigations. We trust that you will make the kinds of recommendations which, if and when implemented, will face the problem boldly and realistically and bring about a greater measure of social and economic justice than now prevails.

Respectfully submitted on behalf of the Canadian Labour Congress

Donald MacDonald President

Joseph Morris
Executive Vice-President

William Dodge Secretary-Treasurer

Jean Beaudry
Executive Vice-President

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by:





Third Session—Twenty-eighth Parliament
1970

## THE SENATE OF CANADA

DEC 9 1970

PROCEEDINGS OF THE SPECIAL SENATE COMMITTEE ON

# POVERTY

The Honourable DAVID A. CROLL, Chairman

No. 9

WEDNESDAY, NOVEMBER 4, 1970

# MEMBERS OF THE SPECIAL SENATE COMMITTEE ON POVERTY

The Honourable David A. Croll, Chairman

The Honourable Senators:

Bélisle Hastings
Carter Inman
Connolly (Halifax North) Lefrançois

Cook MacDonald (Queens)

Croll McGrand
Eudes Pearson
Everett Quart
Fergusson Roebuck
Fournier (Madawaska- Sparrow

Restigouche, Deputy Chairman)

(18 Members)

(Quorum 6)

### Orders of Reference

Extract from the Minutes of the Proceedings of the Senate, Thursday, October 8, 1970:

With leave of the Senate,

The Honourable Senator Croll moved, seconded by the Honourable Senator Fergusson:

That a Special Committee of the Senate be appointed to investigate and report upon all aspects of poverty in Canada, whether urban, rural, regional or otherwise, to define and elucidate the problem of poverty in Canada, and to recommend appropriate action to ensure the establishment of a more effective structure of remedial measures:

That the Committee have power to engage the services of such counsel, staff and technical advisors as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, and to report from time to time;

That the Committee be authorized to print such papers and evidence from day to day as may be ordered by the Committee, to adjourn from place to place, and notwithstanding Rule 76 (4), to sit during sittings and adjournments of the Senate;

That the evidence taken on the subject during the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Bélisle, Carter, Connolly (Halifax North), Cook, Croll, Eudes, Everett, Fergusson, Fournier (Madawaska-Restigouche), Hastings, Inman, Lefrançois, MacDonald (Queens), McGrand, Pearson, Quart, Roebuck and Sparrow.

After debate, and—
The question being put on the motion, it was—
Resolved in the affirmative.

ROBERT FORTIER, Clerk of the Senate.

## Minutes of Proceedings

Wednesday, November 4, 1970.

Pursuant to adjournment and notice the Special Senate Committee on Poverty met this day, at 9.30 p.m.

Present: The Honourable Senators Croll (Chairman), Carter, Connolly (Halifax North), Cook, Eudes, Everett, Fergusson, Fournier (Madawaska-Restigouche), Inman, Lefrançois, McGrand, Pearson, Quart and Sparrow.—(14)

Also present: Mr. Frederick J. Joyce, Director. Mr. P. Jubinville. Executive Assistant.

The following witnesses were heard:

The Government of Manitoba:

The Honourable Rene E. Toupin, Minister of Health and Social Services.

Mr. E. Petrick, Director, Office of Research and Planning.

Mr. G. H. Ford, Research Analyst.

(Biographical notes concerning the above witnesses immediately follow these proceedings).

The brief presented by the Government of Manitoba was ordered to be printed as Appendix "A" to these proceedings.

At 12.00 p.m. the Committee adjourned.

ATTEST:

Georges A. Coderre, Clerk of the Committee. René Toupin—Minister of Health and Social Services, M.L.A. for Springfield, Government of Manitoba.—René Toupin, born in St. Boniface, May 15, 1934, was educated at St. Rita, the juniorat in St. Boniface and at St. Boniface College before going to Laval, Quebec, in 1954, where he taught as well as undertook special studies for three years. Mr. Toupin worked with three aircraft firms before being appointed Manager of the La Salle Credit Union.

In 1962, he became Manager of Central Credit Union (Centrale de Caisses Populaires du Manitoba) in St. Boniface. He is a member of the Knights of Columbus and a number of credit unions.

He was first elected in the general election of June 25, 1969, and sworn in July 15 as Minister of Consumer and Corporate Affairs. He became Health and Social Services (now Health and Social Development) Minister, December 18, 1969.

E. E. Petrich—Acting Director, Office of Research and Planning, Department of Health and Social Development, Government of Manitoba.—E. E. Petrich, born in Madison, Wisconsin, May 18, 1932, received his high school training in Los Angeles. He graduated magna cum laude from the University of Missouri in 1960 and has taken graduate training at Brookings Institute for Advanced Study, Washington, D. C. and at the University of Maryland where he was a PhD candidate.

Mr. Petrich has had extensive experience in management. From 1960-64 he was a Management Analyst with the Department of Health, Education and Welfare, in

Washington, D. C. From 1964-66 he was manager of the Research Program of the Federal Water Pollution Control, also with the Federal Government. He was then appointed Executive Director for Equal Health Opportunity, in Washington, D. C. In 1967 he became Executive Director for Health Affairs and Assistant Director for Community Action Health Programs, Office of Economic Opportunity, Washington, D. C. Mr. Petrich came to Canada in 1968 and spent a year studying health and social problems throughout Canada.

In 1969 he joined the Manitoba Government as a Program Planning Advisor of the Secretariat of the Planning and Priorities Committee of Cabinet. He was recently seconded to the Department of Health and Social Development to establish a new office of Research and Planning.

George Henry Ford—Research Analyst, Office of Research and Planning, Department of Health and Social Development, Government of Manitoba.—George Ford, born in Toronto, January 3, 1947, graduated magna cum laude (B.A.Hons) from the University of Toronto in 1969. He was the recipient of the Robert Bruce Scholarship and the New College Council Scholarship.

Mr. Ford was active throughout his university career in many social action groups: the Just Society Movement, SOS—Volunteer Action for Social Change, Latin American Working Group, Praxis Corporation—Research Institute for Social Change and Student Politics. He has also published papers on social development.

Mr. Ford joined the Office of Research and Planning in July, 1970.



## The Special Senate Committee on Poverty

### Evidence

Ottawa, Wednesday, November 4, 1970.

[Text]

The Special Senate Committee on Poverty met this day at 9.30 a.m.

Senator David A. Croll (Chairman) in the Chair.

The Chairman: Honourable senators, we are privileged to have this morning the Province of Manitoba's representation, headed by Mr. René Toupin, Minister of Health and Social Services of the Government of Manitoba. Mr. Toupin will introduce the other gentlemen with him. I believe you have their biographical sketches.

The Honourable René Toupin, Minister of Health and Social Services, Manitoba: Mr. Chairman, honourable senators, on my immediate right is Mr. Ernie Petrich, Acting Director, Office of Research and Planning, Department of Health and Social Development, and Mr. George Ford, Research Analyst in the Office of Research and Planning. On his extreme right is M. Philippe Jubinville, directeur du Cabinet, ministère de la Santé et du développement social.

#### [Translation]

The Government of Manitoba feels that the problem of poverty can be dealt with only through a new and general approach—through decisions and programmes within the government. If poverty is truly to be overcome, very definite and uniform social criteria must preside over all decisions and public programmes. In our brief, we wish to present one approach to poverty based on social development. We do not intend to prescribe detailed measures and programmes but to outline a philosophical and methodological approach which is essential, in our opinion, to an effective solution of the problem of poverty. The Government of Manitoba may act on some of the suggestions given in our brief. Others will require the initiative and support of the federal government.

#### [Text]

Before attempting to develop an antipoverty strategy, we must first examine the nature and causes of poverty. We must recognize that poverty has two dimensions: the social roots or causes of poverty and the personal manifestation of symptoms of poverty.

Most of our existing policies and programs focus on the personal dimension of poverty, seeking to rehabilitate individuals, families or groups so that they can re-enter or adjust to existing social order. We have at best developed a semi-effective escape route out of the poverty trap. At worst we have further degraded and humiliated the poor. Thus, our existing programs must be further improved and placed within the broader social context.

But more important, we must now develop a new approach which deals directly with the root social causes of poverty. This will require changing the structure and operation of the existing social order.

From this perspective we see that poverty is a function of the substantial inequality in the distribution of both wealth and power in our society. Poverty is not just a question of the absolute level of one's income. It also involves relative considerations: the pressure to consume and define one's self in terms of consumption; the frustration and social friction arising from wide and obvious income inequality and the societal definition of minimalness at a particular time.

But more fundamentally it is a question of relative power. People must have the power to meet adequately their own needs and to participate in shaping their environment both at work and at home, and power to ensure that any limited redistribution of wealth is neither illusory nor temporary.

Recognizing that poverty has broad social roots, it is clear that a comprehensive governmental approach to its eradication is required. Such an approach must be based on clear social development principles. We believe that such principles are crucially important to the development of an effective new approach. Thus, we present in some detail an initial set of principles which the government of Manitoba has established to guide its social development approach.

(A) Social development is the goal—economic development is one means to that goal.

It is imperative that the social needs of the individual, family, community and society should be the basis of government policy. This means that the priority traditionally placed on economic policy will have to give way to the fact that economic development is only a means to the end of social development and not an end in itself. Prime emphasis on economic development has not solved our social problems. Policy can no longer be evaluated by its contribution to economic development alone, but must be evaluated on its overall contribution to social needs broadly considered.

(B) The well-being of people is the goal of policy, and implies the well-being of business.

A social development approach operates on the assumption that whatever is good for the social and economic well-being of Canadians is also good for the development of business and industry. This is a reversal of the traditional position, which has failed in as much as the well-being of all Canadians has not been realized by an emphasis on business and industrial development, even when that emphasis has been supplemented by government and private social services. Economic structures which are compatible with the social and economic well-being of Canadians will have to be developed where

such structures do not now exist, or where the present structures prove incompatible with the public interest.

(C) Economic justice must become an operational concept. Social development, in addition to establishing noneconomic criteria for evaluating policy alternatives, also requires a concept of economic justice involving the principle that the costs of economic "progress" must be covered by the benefits derived from such "progress". As an example, this would mean that persons displaced by technological change-whether their marginal farm has become obsolete, their small enterprise can no longer compete, or their skills have been made obsolete-are entitled, by right, to appropriate dislocation assistance to cover the costs of change which they bear-unemployment, retraining, relocation, disruption of family and community life and so on. The costs of this assistance should be paid as directly as possible by those who benefit from such changes. This type of reconciliation of the costs and benefits of economic decisions is essential to economic justice and thereby to a comprehensive social development approach.

#### [Translation]

(D) Equality is an important criterion in fruitful action.

Greater equality in the social and economic relations of the society constitutes an important criterion in the policy of social development. It points to the necessity of reducing the disparity in the distribution of wealth and power. Material comfort and the accumulation of material goods as the sole or even principal needs and motivations of men in an affluent society are thereby diminished in importance. The emphasis is placed more on other needs and motivations; social interaction; a community of interest; belonging to and support of an entity greater than oneself or one's own family; self-confidence; esteem and satisfaction in a more egalitarian social order. In this way, greater equality constitutes an essential criterion for the development of the whole man.

(E) Emphasis must be placed on freedom of the individual.

A social development policy must struggle against the fact that today people who could be freer than any other people in history feel increasingly more frustrated and manipulated by the social and economic forces of modern society. To combat this feeling, emphasis must be placed on individual freedom when making decisions. Instead of restricting individual freedom, the government must educate the citizens, provide more information and establish quality controls for goods and services. Social, cultural and economic options accessible to the people must be developed in order to extend the range of choices offered to them. In addition, methods must be established whereby citizens may participate in the decisions affecting them in order to ensure a fair balance between the freedom and responsibilities of all those concerned.

Controls should be exercised as much as possible over social and economic forces and institutions rather than over individuals. This would represent a dynamic, rather than static, approach to social problems.

(F) Emphasis must be placed on democracy.

It is essential to social development to put forth new efforts to make democracy a living fact wherever decisions are made. To accomplish this, present political systems must be rethought and changed so that citizens may give more support to government decisions. The principles of democracy must also be extended from the political system to the economic system.

#### [Text]

In order to understand the shortcomings of present programs, and as a pre-requisite to the development of effective programs, it is essential to distinguish between preventive anti-poverty measures and ameliorative anti-poverty measures. Preventive measures change the nature of the existing social order which maintains and reinforces wide inequalities in the distribution of wealth and power. Ameliorative measures focus on assisting persons already caught in the poverty trap. By recognizing the need for both preventive and ameliorative programs within a broad social development context, and based on social development principles such as those we have presented, it is possible not only to eventually eliminate poverty, but to more fully assist those who are presently poor.

Several examples of specific anti-poverty preventive and ameliorative policy and program directions which could be adopted as part of a total social development approach are included in our written brief. They include preventive policy and program directions such as:

- (a) Investment policy—this is necessary if the social and economic well-being of all Canadians is to be reflected in the development of economic institutions and the Canadian economy in general.
- (b) Alternative economic instruments—these will include the Canadian Development Corporation and other Crown corporations which will provide models for the development of Canadian resources based on social development principles.
- (c) Industrial democracy—this means support for the participation of workers in shaping their work environment, including a role in management.
- (d) Governmental democracy—the responsiveness and accountability of government can be improved through operational decentralization, information services and the development of citizen input channels.
- (e) Community development—such services encourage citizen participation and self-help efforts, thereby helping to redistribute power.
- (f) Income distribution policy—narrowing the inequality in income distribution mainly through taxation policy based on the ability to pay principle is the goal here.
- (g) Public Goods: Such goods and services can help redistribute wealth, and also provide an encouragement for positive social and cultural interaction.

New policy and program directions are also needed for ameliorative anti-poverty measures. These include:

(a) The separation of financial assistance and social services;

- (b) A self-declaration application for financial assistance;
- (c) The incorporation of an incentive scheme into financial assistance programs;
- (d) The use of an automatic cost-of-living escalator clause in financial assistance programs;
- (e) Increasing the accessibility of health care services and integrating the health care and social service delivery systems;
  - (f) A greater emphasis on preventive health care;
  - (g) Equalizing educational opportunities; and
- (h) Improving the quality, and quantity, of the housing stock and the urban environment.

At this stage of your deliberations, given the importance you have attached to the concept of the guaranteed annual income (GAI), it would be inappropriate for us not to comment on this topic. Therefore, we present a few, very limited comments about the GAI, considering it from a comprehensive social development perspective.

- (a) The GAI is one important element in a total approach to the poverty problem. It relates to the first three ameliorative measures listed above.
- (b) The GAI does not redistribute power, and may not effectively redistribute wealth on its own.
- (c) The GAI will cost most than present financial assistance programs. Present financial assistance levels are, if anything, inadequate as the base level guaranteed under GAI. Thus, the costs of an incentive scheme which will involve partial assistance for many of the "working poor" who are not presently receiving assistance, will substantially increase total assistance costs under GAI.
- (d) GAI is a dangerous idea if its limitations and costs are not recognized and accepted; otherwise there will be false hope and consequently even greater frustration.

#### [Translation]

In conclusion, we should like to say that the Government of Manitoba is anxious to set out on new paths and to seek new ideas and answers in order to resolve age-old problems. With regard to government programmes and decisions, we are attempting a completely new approach based on social development—an approach outlined in our brief. In our opinion, this is the only effective way of attacking the structural causes of poverty while at the same time exercising our responsibilities with regard to the social and economic welfare of all Manitobans. Poverty, however, is a national problem. We hope that the federal government, therefore, will also adopt a general approach based on social development and including measures to prevent and reduce poverty such as those mentioned above. This is the general direction which, we hope, the Senate will recommend.

Ladies and gentlemen, we are pleased to have had this opportunity to present our views.

#### [Text]

The Chairman: Senator Fournier and Senator Fergusson.

Senator Fournier: Mr. Chairman, based on the brief and from what we have heard and from our visit to Manitoba, I think it is in order to say that the Manitoba problems do not differ very much from the problems across the rest of Canada, as far as poverty is concerned. However, we do appreciate the brief and are happy to see you here this morning.

On page 2 of your brief I have a few questions. In paragraph 2 you mention "inequalities in the distribution of both wealth and power." What do you mean by "power"? Would you elaborate on the word "power"?

Hon. Mr. Toupin: Mr. Chairman and honourable senators, before I start answering questions I do hope you will recognize that far from being the full resources of whatever we must know as ministers to be able to satisfy the needs of not only the consumers of our different provinces but also of being able to answer questions of senators, I may have to call on my experts here to help me.

Regarding my own assumption on the redistribution of wealth and power—I think your question is actually directed to power itself—what I would like to mention is, take our provincial government, for instance, I think we must go down to the grass roots by forming different committees.

I could give you an example of the committee we have formed in our Department of Health and Social Development, the Welfare Appeal Board, which consists of consumers, professionals—the whole gamut of people of our province. This, in a sense, is not only a welfare appeal board, but equally an advisory board to the Minister of Health and Social Development. I must say this exists not only in the Department of Health and Social Development but also in many departments of our government. We receive advice from such committees and try to relate this to our policies when we do set policies in cabinet. I hope I have given an example of what I mean.

#### Senator Fournier: Yes, I accept that.

Then a little further down you say, "Changes in financial assistance and social services are necessary." What changes would you recommend?

Hon. Mr. Toupin: I think maybe in some sense we are going to the guaranteed annual income when we say this. When we give assistance, for example, to welfare recipients and we only allow, say, an incentive of about \$20 a month, this is far from being an incentive for the welfare recipients to go back to work.

Senator Fournier: But why did you only give \$20 a month?

Hon. Mr. Toupin: This is something we feel must be changed. We could have changed last year in our province, but the cost of this to supplement the income of workers would have been approximately \$34 million additional which could not be covered by the financial resources of our province at this time.

The Chairman: What change would cost \$34 million, Mr. Minister?

Hon. Mr. Toupin: The supplementary assistance.

The Chairman: On what basis?

Poverty

Hon. Mr. Toupin: On the basis of a living wage for consumers.

Senator Cook: In dollars and cents, how much would that represent?

Hon. Mr. Toupin: You cannot really relate it to dollars and cents.

Senator Cook: Assume you are allowing \$20 now, how much would it be?

Hon. Mr. Toupin: Maybe I could try to answer it in this way. You cannot really relate it only to the greater Winnipeg area. I think it is the same in all provinces. We have half the population of Manitoba in the greater Winnipeg area and the rest is spread out all over the province. We cannot really say \$3,000, which could be considered as adequate for a couple in the City of Winnipeg, and \$500 or \$600 per child, would be amounts that could be set equally for people living, for instance, 50 or 60 miles from Winnipeg in the rural areas where they have their own gardens, their own cattle, and so on. You cannot quote such figures across the board in our province.

Senator Everett: Minister, I think Senator Fournier is referring to the cost of the disincentive. At the present time the Province of Manitoba has a 100 per cent disincentive over \$20, and I think what he is trying to find out is what disincentive it is that you would be proposing.

The Chairman: What the minister was trying to tell you—and I do not think it came out in his statement—is that Manitoba is divided into the urban, rural, and northern areas for welfare, and it would be different in each area. Let us get down to the urban part of it. Let us deal with the metropolitan centres.

Senator Everett: With respect, Mr. Chairman, I think the minister was referring to an adequate income level. He said that to bring people to an adequate income level would cost \$34 million. I think Senator Fournier was referring to the disincentive level. Has Manitoba done any study to determine the disincentive level? He is referring to the earnings that a person can make over the limitation of \$20.

Hon. Mr. Toupin: Mr. Chairman, I will ask Mr. Petrich, the Director of Planning and Research, to explain that.

Mr. E. E. Petrich, Acting Director, Office of Research and Planning, Department of Health and Social Development, Manitoba: Actually, we have not done sufficient work on this business of disincentives. We do know, from a variety of research that has been done, that a graduated scale of disincentives that would move a person on up a scale of standard of living, to self-sufficiency seems to be the kind of incentive that would be most effective. The most effective incentive is to permit anyone on welfare having a supplementary income through work to be always able to keep a share of what he earns up to a point where his standard of living is such that he would...

**Senator Everett:** Yes, we have done a great deal of study of that principle. I was wondering whether you yourselves have done any studies.

Mr. Petrich: We have no answers at this point.

Senator Fournier: What do you consider an average standard of living? That is an embarrassing question, I admit, so let me refer to the necessities of life. What do you consider to be the necessities of life?

Hon. Mr. Toupin: I do not want to avoid this question, but there are, as the chairman was saying a while ago, great differences between the large urban area of Greater Winnipeg and the rural areas of our province. The standard of living is not the same, and the costs involved, either for consumers themselves or for the municipal or provincial governments, are different. They have to be different because of this.

**Senator Sparrow:** But would not the disincentive be the same all over the province? Why would it be any different?

Hon. Mr. Toupin: It could be the same, yet it could be different.

Senator Sparrow: I appreciate what you are saying although I do not agree with it. The income level may be different in the three areas of the province, but why would the incentive or disincentive be different?

Hon. Mr. Toupin: Because the cost of living may be more or less.

Senator Sparrow: But we are talking only of an incentive to these people to raise themselves above the poverty level, and you say the basis is now \$20. If you say the disincentive shall be a 50 per cent reduction then surely that should be the same all over the province, should it not?

Hon. Mr. Toupin: It could be.

Mr. G. H. Ford, Research Analyst, Office of Research and Planning, Department of Health and Social Development, Manitoba: The rate of incentive would be the same, but the amount would be different.

Senator Sparrow: Yes, that is right.

The Chairman: Mr. Ford, I was waiting for someone to answer that question. The minister spoke of equity. How do you justify discriminating between the urban and rural areas?

Mr. Ford: It would be on the basis of cost studies that would show their costs of living for equal packages of goods differed.

The Chairman: Have you ever made any cost study?

Mr. Ford: We have some scheduled to be done. There are some older ones around, but I would not trust them.

The Chairman: We are not impressed by the variations between the urban and rural areas. I could take you into

some areas away from metropolitan centres where the cost of living is pretty high.

Mr. Petrich: I would like to mention that we consider the standard of living in its broadest context, and not that which is necessarily related to a specific income but that which is related to the amenities in the community and the quality of the environment in which a person lives. If you look at it in this context then the income security aspects become only a part.

**Senator Cook:** If you recommended a guaranteed annual income, would it not be very difficult to administer at different levels in different parts of the country?

Mr. Petrich: It probably would be less difficult, depending upon the mechanism that one used for this. One would have to include in the scheme criteria for determining a need based upon regional disparities and cost of living, and so forth. It depends upon the mechanism, I think, that we are talking about.

The Chairman: Let us forget the mechanism for the moment and let us get back to equity. If the citizen in Nova Scotia makes the same contribution to the federal treasury that a citizen of Manitoba does, then is he not entitled to draw for basic necessities on the same scale?

Hon. Mr. Toupin: Are you saying from the federal Government?

The Chairman: I am talking about this being a governmental responsibility. I do not care whether it is federal or not, but I say "federal" because you are receiving 50 per cent from the federal Government. How can you justify to a citizen a different standard of living in your province as compared to that of another province—that is, giving them more or giving them less?

Hon. Mr. Toupin: No, we cannot say we want this to be split between provinces, but we do have to look at it as a provincial government. If we are talking about a cost-sharing agreement between the provincial government and the federal government then most definitely it has to be on the same financial basis. We have always said this. But, when we talk of the north—and, by the way, the cost of living is much higher in the north than it is in the Greater Winnipeg area—then we have to take this higher cost into consideration, even though we do go ahead with the guaranteed annual income.

Mr. Ford: To answer the chairman's question in its context I would say that we have taxation on ability to pay, and we want benefits in terms of public assistance to be in terms of need. We are saying that if the need varies between...

The Chairman: But, Mr. Ford, there is a federal statute called the Canada Assistance Act which is based on need. It defines "need", and it is the law of the land. Why is it not lived up to? I shall not complain, Mr. Minister, if you say: "We cannot afford it". That is a perfectly good reason, and we understand it. But, I wish somebody would say what there is about an act that they are not living up to other than this matter of cost. Need is the

basis for it. You have to meet needs now. I do not say you are not, and I do not say that you cannot.

Mr. Ford: I was trying to get at the question which suggested that there may be different standards within a guaranteed income within different areas of the province and within different areas of the country. At the present time it might be covered under the Canada Assistance Plan where different municipalities and different provinces have different needs schedules. Within the Canada Assistance Plan that would be covered.

I thought the suggestion from the floor was that perhaps there should only be one measure of need, one schedule of payments. We are simply saying that there may be need for more than one schedule of payments, depending on the varying local circumstances. I think that is already partly covered under the Canada Assistance Plan.

The Chairman: Do you know any program based on that, Mr. Ford?

Mr. Ford: Throughout our province? Not in terms of provincial payments.

The Chairmar: No, federally. Do you know of any national programs? We are dealing with a national problem here. Unemployment insurance is not; family allowance is not; old age assistance is not. Can you think of any that are based on regional disparity or some such suggestion that you make?

Senator Cook: Income tax is not.

The Chairman: That is a very good one. Everyone knows that. I do not think you will succeed, Mr. Ford, so do not waste any time over it for the moment. You can think about it and come back to it, if you like.

Senator Fournier: On page 6, under the paragraph concerning community development, you say that community development services are perhaps the most effective means for encouraging meaningful citizen participation and self-help efforts. What have you done in that respect and how much success did you have in getting the poor people to participate in any movement that would improve their situation?

Mr. Petrich: I think Manitoba has done some pioneering in this area, particularly in the north. For over ten years now we have had a substantial community development program in the north, and it has gradually moved to other areas in the province. It has been instrumental in causing the development of native people's organizations and poor people's organizations and so forth, particularly in the north. The native people's organizations have grown into individual self-help organizations and these are now being funded through grants and through other mechanisms.

Senator Fournier: What results have you had in the cities? I know it is easier to work in the north, because of the conditions in the cities.

Mr. Petrich: We have had several experimental projects in Winnipeg which have been relatively successful

in forming welfare rights organizations and self-help groups. In fact, we have so many self-help groups in Winnipeg now that they have gone together to form a council of self-help groups which has been applying recently to the federal Government for grant assistance to provide a co-ordinating information service for the various groups.

One of the self-help groups has been most instrumental in causing the provincial government to change its legislation with respect to housing and the landlord and tenants relationships and its legislation with respect to a number of other activities.

Senator Fournier: Did I understand you to say that they wanted federal assistance?

Mr. Petrich: They have asked for small grants to provide for overhead costs.

The Chairman: You will remember, senator, that when they appeared before us they said they were doing just that. In other words, what Mr. Petrich is saying is true. The last time we were in Winnipeg there were a great number of complaints, and much has been done now to correct the situation in Winnipeg.

Senator Fergusson: Mr. Chairman, I am sure I speak for the committee as a whole when I say that I am pleased that the committee has before it this morning the representatives of Manitoba. It is particularly pleasing that the Minister was able to come with his delegation. I am sure that what you have already told us together with what we will learn from you in the course of the morning will be most helpful to us in our deliberations. Thank you.

On page 3 of your brief in item (c) you mention that the costs of assistance should be paid as directly as possible by those who benefit from the changes. In the kind of market economy that we have, when such costs are usually passed on to the consumer, how could you manage that?

Hon. Mr. Toupin: Perhaps I can give you two examples: one would be, for instance, water pollution that we have in our province. We have to find the causes of this pollution and try to get the people or the industry responsible for the pollution to be at least partly, if not totally, responsible financially; a second example would be our own governmental compulsory automobile insurance plan that we set up in our province. The provincial government decided to go into automobile insurance; therefore, we have to take our financial responsibilities so far as the people we dislocate are concerned and so on.

Senator Everett: May I ask a supplementary on that, Senator Fergusson?

In the first paragraph on page 2 of your brief, Mr. Toupin, you say in the penultimate sentence that the "dynamics of the economic system which incorporates these concentrations of power are such that they may well mitigate some of the effects of redistributing wealth, through a general price increase, and/or a further decrease in the quality of production."

Coming back to Senator Fergusson's question on item (c) on page 3, you say that the costs of this assistance should be paid as directly as possible by those who benefit from such changes. On the one hand you say these costs will be paid, and, as Senator Fergusson points out, this is a market economy so that the tendency would be to pass those costs on in the price of the goods sold or the services rendered. In other words, on the one hand you state that those people who were involved in the distribution of goods and services and are the beneficiaries of this change should be those who pay, and, on the other hand, you say that something must be done with the market system which would mitigate this tendency to pass the costs of these benefits on to the consumer in the form of an increase in price of goods or services.

Can you relate those two rather disparate elements?

Hon. Mr. Toupin: Mr. Chairman, I should like to ask Mr. George Ford to make some additional comment here.

Mr. Ford: I may have to get some interaction on this in order to answer your question. First, I think it is more accurate to characterize our economy as a mixed economy rather than as a market economy totally. The elements of governmental involvement, admittedly in a market economy, give it a different character than a pure free enterprise market economy. We are already in a situation where there are substantial government involvements in governmental enterprises as well as in terms of various regulations and standards for industry. This is the area we are trying to deal with.

The sentence you asked about on page 2 has to be placed in the context of the preceding sentences, particularly the one immediately preceding it. What we are saying about the dynamics of the economic system which has these concentrations of power is that they can mitigate the changes we may make by simply redistributing wealth by such mechanisms as a guaranteed minimum income.

Senator Evereit: Let us assume we agree that that is possible and let us assume we agree with your statement. We then come over to the statement that Senator Fergusson has been referring to and we come to Senator Fergusson's question. If the present power structure is such that the effects of governmental action can be mitigated, as you state, by an increase in the market price of goods, how then can you prevent that very fact from operating in the situation that you envisage in section (c) related to the question asked by Senator Fergusson.

Mr. Ford: I think here we get into the area as to whether or not further standards and regulations and controls are required related particularly to those industries where there are greater concentrations of power or monopoly situations. We have to recognize that in the context of the Canadian economy some industries are going to have to exist in monopoly situations. Given that situation where you have monopolies or oligopolies or situations where there are a few firms within an industry which control that industry in the Canadian economy, there had to be a government role in working through

the industry—perhaps some of its canning procedures or perhaps through reasonable profits rates—and you get into areas here which are talked about in the preventive measure section of investment policy.

Senator Everett: Well, Mr. Ford, you are referring, I assume, to the second-last paragraph on page 5. Having noted that, when my turn comes to question perhaps I will come back to this, because you have now related two parts of the problem together. That may be a good base on which to start my questioning.

Senator Fergusson: I am still somewhat confused.

The Chairman: Who isn't? But go ahead anyway.

Senator Fergusson: I would like to go back right to the beginning where in your introduction on page 1 you say—"We admit that existing policies and programs, at all levels, are inadequate." How do you feel they are inadequate? Is it because there is not enough money or is there some other reason?

Mr. Petrich: One of the phenomena that one sometimes uses to judge the effectiveness of our programs is whether or not we are effectively dealing with the problem of poverty in the sense of minimizing it or whether we are in fact increasing the dispersion range in society between the affluent and the poor. Certainly if we look at the history of our welfare rolls in Manitoba and even in Ontario it is quite obvious that there is a major increase in the percentage of our population who are winding up on welfare rolls.

Senator Fergusson: You mean it is inadequate. You are not saying what exactly is inadequate, but you are saying it is inadequate because the results are inadequate?

Mr. Petrich: We can talk about the various means which have been used in the traditional attack on the problems of poverty. One can certainly show evidence and I think you are fully aware of the inadequacies of welfare programs and the inadequacies in how we deliver social services and rehabilitation services and the fact that we target most of our programs, if not all of our programs, at the poor people rather than the environment.

Senator Fergusson: You say that these are inadequate and you quote CAP as being one that is inadequate. But do you think that the way that CAP is framed means that it could give adequate coverage?

Mr. Petrich: The great weakness of CAP is that a local governmental option is permitted and there is no guarantee that uniform standards of financial assistance will be applied right across the nation.

Mr. Ford: I think another point to be considered there is that CAP could be used effectively to meet the needs of those who are poor but it will not necessarily stop more poor people being created by the social and economic order.

**Senator Fergusson:** It is not an instrument to prevent poverty?

Mr. Ford: Even in the way it is being administered it will not be effective, partly because of the local options. Also, partly because of the lack of availability of money at the provincial level, it is not being used as effectively as it could be as an ameliorative measure.

The Chairman: Do you know what the Government of Manitoba spent last year—if the figures are available to you—for your share of welfare?

Mr. Petrich: Well, it has been going up quite rapidly.

Hon. Mr. Toupin: Our total budget last year for the Department itself was \$136 million.

The Chairman: But I am talking now only of welfare.

Mr. Petrich: It is approximately \$15 to \$16 million this year.

The Chairman: Then, let me give you a few figures. In 1965/66, you spent \$16 million approximately, and in 1966/67, you spent \$25 million, and in 1967/68, you spent \$14 million and in 1968/69, you spent \$17 million. These are rough figures.

Hon. Mr. Toupin: We did not bring these figures, Mr. Chairman, but if I recall correctly in the budget of this year we had something like \$31 million or \$34 million. Actually we are going to have a deficit that could be anywhere from \$7 to \$8 million.

The Chairman: I suppose you attribute it the same as everybody else does to a great deal of unemployment.

Senator Pearson: In your first paragraph on page 3 you state—"that whatever is good for the social and economic well-being of Canadians is also good for the development of business and industry." How do you explain that? Could you enlarge on it?

Hon. Mr. Toupin: I could give you a few examples that we have in our own province now, but I will ask Mr. Petrich to say more on this.

Mr. Petrich: What we are saying is that traditionally we have looked to economic development as the end objective, and government programs have been geared towards facilitating the establishment of business and industrial enterprise and so forth. What we are saying here is that this is an intermediate step and the governmental objective should really be the economic wellbeing of people, because if people are economically well-off, they will in turn stimulate the proper development of industry and business which will then follow a more rational pattern to benefit the people it serves.

**Senator Pearson:** But should you not develop the business first before you start paying people money for welfare?

Mr. Petrich: Well, senator, we can get into the chicken and egg argument here.

Senator Pearson: Well I cannot see where you are going to get money first out of nowhere. I don't see how you can get the money without business.

Mr. Petrich: Well, if the business does not have demand for its products and services, it will not prosper.

Senator Pearson: But a business would not be built there without a demand. Those who are interested in establishing a business would make a survey before doing so.

Mr. Petrich: Well, senator, we are really in the chicken and egg situation here, but what we are pointing out is that too often-and we have examples of this in our province—we have stimulated the development of industry at tremendous expense to government and ultimately to the people. Take, for example, Churchill Forest Industries in the north where the provincial government has sunk \$100 million and will have to sink much more for a few jobs, and when I say a few jobs I mean both the primary jobs and the accelerator effects on secondary jobs that are created. But this involves a tremendously large investment. One can question whether that was a good investment or not based upon the economic deveopment incentive. Perhaps that money should have been sunk into other activities that would ultimately bring income to people who in turn would stimulate the development of business enterprise in the north.

Senator Pearson: Did the Government go out and find these people to invest in that thing, or did these people come to the government and say, "You put some money in there and we will go and build a plant"?

Mr. Petrich: I think a little of each, but what has happened here-and, of course, the present government does not subscribe to this principle—is we have taken the total risk in that enterprise, and the total risk capital is public money. We could get into a lengthy discussion about this particular project, but the point I was trying to make is that too often in the past we have looked towards, as an end result, the welfare of businessmen to ensure that there was a profit potential in a business, and so forth, to ensure that there was the right and proper climate for the business, when, in fact, we should be looking at the question: Is that business good for Manitoba? In our case we could point out such examples of industrial development which have worked adversely to our ultimate objective here. We could talk, for example, about the needle industry which pays marginal income salaries, and which has seasonal layoffs, throwing people back on welfare and unemployment insurance again and again throughout their lives. Again, we could say that is not the kind of industry we want to develop in the future, if we are looking at the ultimate objective: What is the best for the well being of people.

Senator Pearson: Take the wool plant in Brandon. That started up as a small industry in itself, without any assistance from the province at all. They got to the point where they thought if they could expand a little they could make a better deal. Then they asked the province to help finance this thing for its enlargement. This, to my way of thinking, is the proper way. If it starts in a small way, if it pays, then the province can come in and help it. But for the province to put down so many millions of dollars and say, "This is going to be successful," I do not see it.

Mr. Petrich: We are not saying government money should not be put into industrial development, but that it should be done with the end result in mind.

Senator Everett: I just have a supplementary, because I do not think Senator Pearson has finished.

The Chairman: Go ahead.

Senator Everett: You were saying that the Government of Manitoba will probably have to spend more on the Churchill Forest Industries investment. Could you tell us what indications you have had that this is so, and what additional amounts you will likely have to expend?

Mr. Petrich: When I referred to having to spend more, I think I alluded to the fact we often forget that when we generate industrial development we also generate the requirement for social overhead costs—the development of infrastructure, of housing, of public services—a whole variety of very expensive items for which heretofore people have not planned. I was alluding primarily to the expensive program now being undertaken jointly with DREE, of the federal Government, to create infrastructure in The Pas to provide for people's needs which the Churchill Forest Industries, in turn, are creating by bringing people there to be employed.

Senator Everett: Are you opposed to that, Mr. Petrich?

Mr. Petrich: No, I am not. I think it is essential we pay the social overhead costs.

Mr. Ford: The question now is to make sure the social overhead costs are justified in terms of: Is that industry going to be there long enough? With the Churchill Forest Industries there are a lot of unanswered questions. The questions are: How long will it actually be able to operate on a proper basis before they will have to bring timber in from too far so the transportation costs make it unprofitable, and therefore we will have to pay subsidies on transportation costs in order to keep the industry going? If we do not keep the industry going we have a town that has doubled in size, that we have built a whole lot of new infrastructure for, that will have to scale down in size again. How do you keep the industry going when you have not done sufficient cost studies ahead of time to guarantee the life of that plant? An investment in social overhead capital is a long-term investment.

Senator Pearson: I have a further question. On page 4, under section IV you speak of "Social development and specific anti-poverty approaches". In the second paraparagraph you say:

In order to understand the shortcomings of present programs, and as a prerequisite to the development of effective programs, it is essential to distinguish between preventive and anti-poverty measures and ameliorative anti-poverty measures.

What do you mean?

Mr. Petrich: Basically, we were trying to differentiate between dealing with the problems that cause people to fall into poverty, which is the preventive approach, and the ameliorative approach, which deals with people who are already trapped in poverty.

What we are saying here is, basically, if we are serious about eliminating poverty we have not only to get people presently who are poor out of poverty but somehow we have to prevent people from constantly dropping into the pot of poverty.

Senator Pearson: In other words, you are thinking of the working poor?

Mr. Petrich: Not necessarily. There are many affluent people today who tomorrow may be poor.

Senator Pearson: How are you going to know they are going to be poor or may be poor?

Mr. Petrich: We do not know, but what we are saying is that there are certain social and economic forces operating in society that cause this to happen, and we need to take a broad or macro view of this thing and deal with it accordingly.

Senator Everett: Just coming back to what we were talking about at the time of Senator Fergusson's question, this problem of preventive measures, on page 3, in item (d), you state that, "material comfort and accumulation is de-emphasized as the sole, or even major, human need and motivational force in an affluent society."

Then you go on to say that the society you envisage will embrace such things as social interaction and contributing to a larger entity than oneself.

Could you explain to me what will happen in this society when you de-emphasize material comforts, and what sort of society you have in mind that de-emphasizes the concept of material comfort and replaces it with social interaction?

Mr. Petrich: First of all, I do not think that we intended to say that material comforts should necessarily be—Well, yes, we said, material things should be de-emphasized, but what we were primarily targeting at was the problem of this consumptive society in which we live, in which things are more and more constantly measured in material accumulation, with the constant pressures the media place on people to consume more and more—the advertising and so forth.

We have been learning in social sciences research in recent years more and more about human motivations, that they are not always material motivations, that once a person achieves relative material stability in his life, then there are many other human motivations that come into gear. What we are saying is that as our society becomes more affluent, material items, housing, and so forth, become less important, and other needs become more important—and I am referring here to such things as personal satisfaction in one's job beyond the compensation or income one gets from that job, and the satisfaction and motivation that people have to gain recognition beyond the salary cheque to interact with society, or be part of a larger social concern or a larger social force than themselves as individuals or families.

Senator Everett: That is right. You say that this is a natural outcome of the affluent society, that desires begin

to be satisfied and people begin to look for other satisfactions that are related to more abstract concepts. But, in your brief you seem to make it a part of government responsibility to cause this to happen by means of, as you say, de-emphasizing the accumulation and the material comforts. You go on in Item (e) on page 3 to say:

Education, information, and product or service quality grading and control must be used...

I should like to know in what sense you use the word "control". What sort of control are you referring to? Would this be a control of humans, so that you would accelerate this tendency away from people having material comforts and accelerating the trend towards social interaction?

Mr. Petrich: What we are talking about there is control over institutions and social and economic forces, and trying to minimize the control over individuals.

Senator Everett: Yes, I see what you mean, and we will not have any disagreement over withdrawing much of the control that is exercised over individuals. It is just that it seems to me that when you start to control institutions to a high degree you are creating a situation under which you may in the end have to control individuals in order to control the institutions, which, after all, are a product of the desires of individuals. What controls are you going to impose on these institutions to achieve the objectives you have outlined?

Mr. Petrich: I think that the types of controls that we are talking about here have been to a great extent practised in the past in many respects. For example, we talk now about controlling enterprises in respect of pollution. We have for many years been licensing the qualitative aspects of goods, such as drugs and food. We have been inspecting restaurants. We have been in various ways establishing standards of quality and standards of performance, and then auditing or checking against that to ensure conformance. As we talk more and more about controlling social forces as well as enterprises and so forth, I think that similar standards can be applied.

For example, if we want to talk about the health care delivery system, or non-system, which presently exists, then I would point out that we have recently lowered the financial barriers to health care but there now remains and become more magnified other barriers to access to health care, such as the shortage of physicians, and the fact that the disadvantaged or the poor cannot get medical appointments with private practitioners so that they have to go to the general hospital's out-patient clinic. Perhaps new types of standards of quality of service need to be imposed, in fact, by government, but with the concept that they are, in fact, standards, in the same way that drugs have to meet a certain standard of quality and efficacy before they are placed on the market.

Senator Everett: We would not have any difficulty in agreeing on that, but "control" is a difficult thing, because once you start to use it it becomes a case of how far you carry it.

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I should like to go back to Mr. Ford's point which is contained in the second to last paragraph on page 5 where he says:

Such an approach will be particularly necessary if overall government policy is to encourage rationalization of the Canadian economy, for such a move, while more efficient in terms of production, will involve increasing monopoly/monopsony, oligopoly/oligopsony power with the Canadian economy.

Here we are into a whole new realm of control. You are talking about a rationalization of the Canadian economy which you state will create more monopoly and oligopoly which you are going to have to control, and since you propose to pass on the cost benefits of some of these things to those organizations that derive the benefits, and since you propose not to allow those organizations to vary the market price of the goods they are selling, how far are you going to have to go in control to achieve what you want to achieve?

You were talking about a preventive measure. First of all, we rationalize the economy—that is, presumably, to achieve production benefits from large scale production. Having rationalized the economy you then propose to control the monopolies and oligopolies that result from that rationalization. The rationalization is then taken a step further so that social benefits are achieved-benefits that people would have great difficulty in disagreeing with-but then you state that those who benefit from them will have to pay for them, and then you say that the market price will not be allowed to be influenced. The net result of all that, of course, is greater control. It seems to me that you are going to be faced with a situation in which contrary to what you hoped for at the outset-that is, the removal of control from the individual-you are going to have control cascading upon control in order to create a situation that the normal market force obviously will not be able to handle.

I have tried in reading your brief to do a little rationalizing of my own in respect of all these disparate elements, but I cannot do it. The only way in which I can do it is to cast myself forward item by item as I go to what we can all agree is a reasonably good end, only to find that in the end you have created a monster on which you are going to have to spend an enormous amount of time and effort in controlling, and as you control that monster you are going to find yourself frustrating your whole preventive policy, because you are going to be controlling individuals in the end. You are going to be forced into that situation.

I am not sure whether that is a question or a speech.

The Chairman: Mr. Petrich and Mr. Ford, I think you would both be wise to pass. Do you want to get into this?

Mr. Ford: Yes. I appreciate the concern contained in the question you have asked. What we are trying to get is a total picture and synthesize it, and what you have done is synthesize a number of elements. I think it is important to synthesize some of the other elements in the paper because it seems to me that what you have done is to place that in the perspective of a traditional govern-

ment's endeavour to do all that, but there have to be different types of controls and mechanisms, and so on. What we are saying is that there have to be new methods of citizen participation, new mechanisms of social conscience, and some of these may be related to the market mechanism, they may not be directly a kind of central government control.

I am thinking mostly off the top of my head at the moment. These are the kinds of areas on which we want to stimulate discussion, which are obviously areas of discussion in the future. But we may want to say that institutions already have controls, there are controls in the economic institutions in addition to the market factors or various boards of governors, boards of directors and so forth, which exercise various elements of control. There are various types of management control already. Some of those may have to be thought out in terms of new mechanisms of control, and possible non-government control with only government guidelines. That is represented in our brief in areas such as the need for industrial democracy. Some of those controls will be controls from the work people, from people working within the work environment, so that management is expanded beyond the present circle of management to include those directly affected by management decisions in that work place.

Senator Inman: I found this brief very interesting. I would like to say here that we enjoyed our visit when the committee was there. I thought Manitoba was doing a very good job.

I refer to page 2, paragraph III, subparagraph (a). What social goals would your government specify as the needs to be achieved in social development, and how can programs be evaluated with respect to their contribution to social needs? Do you advocate or suggest some form of welfare reform?

Mr. Petrich: We suggest reform in the welfare system. When we talk about social needs of people, we are talking about their full spectrum of needs, which includes the welfare system as it presently operates vis-à-vis what could be under GAI and so on. But we are also talking about people's needs that go beyond the economic, the pay cheque each week or month and so on. We are talking again about the types of social services they have a need for from time to time—counselling, assistance of various types. We are talking about educational programs, about the full spectrum of human social needs required to give some quality of life that is satisfying and fulfilling. It is a rather broad concept that we are bringing to bear here.

Senator Inman: On page 1, paragraph II, in the third subparagraph you say:

Poverty is not simply a matter of some absolute level of income.

Do you think the mass media exaggerates conditions sometimes?

Mr. Petrich: I would have to say yes, definitely. We define poverty as being relative; that is, the difference

between the affluent and the poor, the people at the top and the people at the bottom of the economic scale. As the media and the advertising industry enforce upon people the idea that an acceptable standard of living requires a colour television, an automatic washing machine, two cars in a family and so on, we tend to increase the disparity between the rich and the poor on the basis of aspirations, on the basis of human frustrations, being told and believing that they should be entitled to certain things as a minimum standard of life, when in fact there is no way that they can ever conceive of that happening to them.

Perhaps I might add something here. I am particularly concerned over the fact that so many people feel we can eliminate poverty by increasing the amount of money we give to the poor, but few people talk about increasing the share of our total wealth to the poor so that we can reduce the wide variants between the affluent and the poor.

The Chairman: How would you suggest we do that? The evidence before the committee, including that from the Canadian Chamber of Commerce, is that we have not had much redistribution for the last 20 years. How would you suggest we do that?

Mr. Petrich: There is a variety of mechanisms. We talk in our paper about taxation policy. I think it is ironical that the poor people pay a good share of, say, post-secondary educational costs in this country, which they very seldom have an opportunity to enjoy. The poor people are taxed in many ways, and we still have many regressive taxes that impose...

The Chairman: Sales taxes?

Mr. Petrich: Sales taxes, property taxes, which impose a relatively harder burden on the poor and disadvantaged than on others.

The Chairman: Will the most recent suggestion from Mr. Benson alleviate that?

Mr. Petrich: Partly. Of course, we have our reservations about certain sections of the White Paper.

The Chairman: I meant with respect to the poor. I know you had reservations about the rest of it. What about the low income people?

Mr. Petrich: It goes forward a degree, and I think we would hope it would go further.

Senator Cook: Perhaps I might ask a supplementary question on that. What is more important, to try to get a bigger share of a smaller pie or to try to get the pie bigger so that everybody can have some more?

Mr. Petrich: I think you have to do both.

Senator Inman: On page 4, paragraph IV, in subparagraph (a) you say that the second reason for having a comprehensive government policy is to rationalize the Canadian economy. Would you explain this and give examples of what you mean by it? The third reason

given is in order to allow for the development of democratic methods. Would you explain what you mean by this paragraph and enlarge on it a bit?

The Chairman: Which paragraph is that?

Senator Inman: That is on page 4, paragraph IV, subparagraph (i)(a).

Mr. Ford: When we refer to rationalizing the Canadian economy, what we are speaking of is...

Senator Everett: I am sorry, I have not found the place.

Mr. Ford: The last paragraph on page 4.

Senator Everett: Would you read it?

**Senator Inman:** It is headed "Social Development and Specific Anti-Poverty Approaches", on page 4.

Senator Everett: Would you read out the particulars?

The Chairman: At the top of the page it says, "If such social development principles". Just read that paragraph. That is what is being referred to. That is the paragraph.

Hon. Mr. Toupin: I thought the senator was making reference to "Investment Policy" on page 4, subparagraph (i)(a), at the bottom of the page. Is that right?

Senator Inman: Yes.

Mr. Ford: I understood the first question was what we mean by rationalizing the Canadian economy. That was the first part of a multi-part question. If we look at the Canadian economy, we find there are a number of industries that do not achieve the maximum economies of scale possible in a given technology. In other words, they are not as efficient as they could be, because they are not large enough to get long lines of production which are cheaper in increasing numbers.

A further reason is that we have a miniature in Canada of the American economy. Where they have. perhaps, 20 firms in an industry producing different types of, say, refrigerators, each one can have a large market or a large production run, because the American market is a large market of over 200 million people. But when you apply that to Canada we have a margin of one-tenth of the size, 20 million people. We should really have one-tenth of the number of firms in order to achieve the same size production run in the same efficiency scales. We have to achieve the same efficiency scales if we are to be able to compete in the international market with those American firms or if we are to provide the best price possible to Canadian consumers of these goods. We can maintain an inefficient industry by high tariffs, but the consumer pays the cost through higher prices.

So, if we are to achieve national competitiveness in the international market and lower prices for the consumer, we have to have the most technically industry possible, and increasingly that means large scale industries. It means we must have fewer industries and fewer firms in each industry than they do in the United States, and yet we end up with a miniature, partly because of the branch plant nature of the economy. If we are to achieve effi-

cient scales, we will have to reduce the number of firms. That runs contrary to most of the past policy in relation to restrictive trade measures and so forth, because it is assumed that monopoly is a bad thing.

The Chairman: Mr. Ford, we are now going to get down to the real problem and have Senator Carter ask questions. He is a realist.

Senator Everett: Mr. Chairman, the witness is just in the middle of an explanation which I think is very important.

The Chairman: I thought he had finished the explanation.

Senator Everett: He may have.

Mr. Ford: I would add some further points.

The Chairman: Very well, go ahead. Finish it, then.

Mr. Ford: There seems to be some disagreement.

Senaior Cook: We have to tackle the problem under the present philosophy.

The Chairman: Go ahead, Mr. Ford.

Mr. Ford: That is the gist of the paper that we cannot attack the problem under the present philosophy. The present philosophy is inadequate to deal with the problem. The present philosophy is the reason that we have poverty. That is the gist of our approach. We need to have a new social development approach, which changes some of the elements of the philosophy. We are not quite sure as to what elements we want to change, but we want to explore that change with you and we will continue to explore it in our province.

Part of that exploration is that we want to make the economy more efficient, in terms of the specific question that has been asked, but that raises certain problems in regard to increased monopoly. Therefore we have to have increased social involvement in setting the new investment criteria. Exactly what this investment criteria should be, which involves social considerations, we are not sure. We are suggesting a process by which we could work out some of those criteria with businessmen, with industry and with consumers of services. But there has to be a conscious attempt to consider these criteria. Pollution, of course, is a grave example we know of today, but we are saving that the breadth of social considerations that have to be considered in investment policy and in governmental decision making has to be expanded to consider a broad range of social criteria.

Senator Everett: Mr. Ford, if you are going to rationalize industry and reduce it to a small number, or relatively small number of very large firms, the market situation being what it is, and the problem of transportation being what it is, will you not find yourself in a situation where you have concentrated almost the entirety of that industry in the Niagara Peninsula, and will you not have frustrated almost entirely any concept of utilizing industry, that is, secondary industry, as a means of regional development?

Mr. Ford: Not necessarily. You arrive at some of the dangers there, and those are some of the kinds of things to be considered. Certainly you are raising some of the social things we have to consider in making economic decisions about rationalizations. We may decide that certain types of rationalization and so on should be deferred because of certain criteria, but when we begin at the micro level in dealing with specific industries, there are industries which are large scale that do not need to be located as now, which do not have the same type of transportation problem. These are industries which involve more information flow type of things to the head offices of service type industries, insurance industries, and so forth. These do not necessarily, for purely economic reasons, have to be peripherally located in the central areas. We have to get to the micro level. We admit very readily that there are not enough studies available to deal with this question.

Senator Everett: Dealing with the micro level, you are not talking there about industries that for the most part would be export in nature, or that would need to be rationalized for the purposes that you have in mind, unless all you want to do is rationalize for the sake of rationalization.

Mr. Ford: For the sake of saving to the domestic consumer.

Senator Everett: Not necessarily, because if you rationalize on that basis, no matter what the industry is you have a problem of transportation and communication?

The Chairman: He is not agreeing with you, Senator Everett and you are not agreeing with him.

Senator Everett: It is crucial, though, to the point that they are making. Mr. Ford talks about "when we decide".

The Chairman: The philosophy of the Government of Manitoba is not a matter for us to discuss today. We are into poverty, and they have much of it in Manitoba, as they have in other places. He is talking about the world of tomorrow. We are going to deal with the world of today, as we find it.

Senator Sparrow: Mr. Chairman, I disagree with that. If they have a philosophy that may work and they claim will solve the problem of poverty and they are trying to explain it, I think we should hear the explanation.

The Chairman: Senator Sparrow, it is going to be hard to get that philosophy across to us in one morning or one day, at one time.

Senator Everett: I suppose that is true, but he is talking about preventive measures and ameliorative measures, and in referring to this restructure and retionalizing of the economy, and the consequent control, and the concept of a government deciding that an industry would be here or somewhere else, that the economy will work this way, or people would go there and come here, and so forth and so on—if that is essential to their concept of curing poverty, then it sure is essential to hear it. If their concept is something worth listening to, I want to know,

before I accept their concept, what happens to the free interchange that we have built up over years and years, once you start this control method.

The Chairman: He said he does not know.

Senator Cook: Even if the witnesses convince us, they still have to go and convince the electors of Canada to change the philosophy of the government. That is what they have been talking about here.

The Chairman: I think we have had a pretty good lecture in economics, but let us get on. I will leave it to Senator Carter to bring it down to grass roots.

Senator Carter: I am afraid I am up in the realm of philosophy, too.

The Chairman: Let us hear what yours is?

Senator Carter: I am inclined to think that essentially this brief is just an exposition of a philosophy. I think we are entitled to find out how their philosophy would work out in reality.

Senator Cook: Nobody knows.

Senator Carter: They have gone very airy.

The Chairman: Senator Carter, how can they tell? How can you tell? We are perhaps as good judges of that as anyone. We have lived through some of these various philosophies. How can we tell? We have got to deal with what we find at the present time.

Senator Carter: Yes. We have to do that. I would like to ask one or two questions. Inherent in their philosophy is that the whole trouble is in the system. If you could only change the system it would be better. Then this change apparently has to be imposed. Somebody has to impose it. Apparently we have gone 2,000 years and it has not come about by itself. It is only going to come about by being imposed in some way. How is it going to be imposed? By the ballot or by revolution or how? Is it going to come about by itself, or is someone going to have to bring it about?

Mr. Petrich: We refer here to a collective effort of all the people, not one that would be imposed on them by a governmental exercise of authoritarian power, nor by a revolutionary movement. We set forth concepts that call basically for a social development approach which, in fact, involves all the people jointly working together to solve this problem of poverty.

Senator Carter: What prevents people from working together now? Is it the system?

Mr. Petrich: Well, the very nature of our social and economic system certainly discourages many people from working together.

Senator Carter: How?

Mr. Petrich: Because of the great variations in our social class system.

Senator Carter: Spell them out.

Mr. Petrich: In fact, when we define poverty as being people at the lower end of the scale, they are often there for more than economic reasons. Consequently we have been discussing the power dispersion range and these other aspects. If we are to discuss today what it will take to eliminate poverty, we have to assume that in a sense it means reducing this dispersion range. It is not sufficient simply to set an arbitrary limit that those with less than a certain income are poor.

Senator Carter: I asked a simple question: How does the present system prevent people from working together? You have spent five minutes talking about dispersion range and other woolly phrases, but you have not answered the simple question. Give me one simple example.

Hon. Mr. Toupin: As a politician I will give you one example. I will try to be as specific as possible. Forgive me if I go back to the example of Churchill Forest Industries. This is actually controlled by very few people. The investment by this small group of persons is practically nil in comparison to the amount invested in that project. I say practically nil when we talk of over \$100 million invested by our province and quite a few millions of dollars by the federal Government.

Senator Cook: This sounds like Newfoundland.

Hon. Mr. Toupin: What actual participation do you get from the people in that industry with, for instance, 2,000 employees?

Senator Carter: But go to the point; why are they not permitted to participate?

Hon. Mr. Toupin: Let me finish my example. They are not permitted because they do not have the funds. I have worked in the co-operative movement...

Senator Carter: Are you saying that if they had the funds they would participate?

Hon. Mr. Toupin: Most definitely they would.

Senator Carter: How do you know?

Hon. Mr. Toupin: They would through the Government itself, which has invested. However, the Government now says with respect to the wealth spread in our province that only 4.8 per cent of the population make over \$10,000 annually. So it is only spread among a few of our citizens. How can the people who are considered to be poor invest in the future of Manitoba? It is actually a social development approach, which is an investment in the future of something.

Senator Carter: What prevents the people who have invested giving the benefits to the rest of society, the poor?

Hon. Mr. Toupin: How can we ask Churchill Forest Industries to give the benefits to the poor?

Senator Carter: What prevents them from doing so?

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Hon. Mr. Toupin: They have no investment; the province has, which is the people.

Senator Carter: The people who have investment in it are making money out of it.

Hon. Mr. Toupin: That is right, they are making money, but it goes to whom? How does it go back to the people themselves?

Senator Carter: I am asking you what prevents them; it is their money.

Hon. Mr. Toupin: Yes, but they are not doing it.

Senator Carter: Why?

Hon. Mr. Toupin: Well, do not ask me; I do not have the answer.

Senator Carter: Would you say it is greed?

Hon. Mr. Toupin: That could be part of it.

Senator Carter: Lack of care and responsibility; would you say those are the reasons that the few who make the money hold on to it and do not pass it out?

Hon. Mr. Toupin: Not really. How can you really blame someone for not sharing his wealth if the system itself is far from being adequate? If our system of taxation, which is not based to the full extent on the ability to pay...

Senator Carter: You say that all you have to do is change the system and you do not have to bother about the man who operates it. He is perfect and the faults you see in the system are those of the system, not of the people.

However, you condemn the faults of society and say that we need a new social order. I agree with you, but we are not going to achieve it just by changing the system. We have to go deeper than that, because the greatest reactionary is the person who wants to change everything but himself.

Mr. Petrich: We intended to convey the concept of changing the system in such a way that it would perm't the involvement of a broader spectrum of people, including consumers of services, and so forth. Decisions arrived at through such a system would be more representative of the needs of societies or communities as contrasted to the past.

Senator Carter: There would still be great selfishness, dishonesty, deceit and all the other faults that make up our system today, would there not?

Mr. Petrich: As the numbers of decision-makers increase, the chance that a particular vested interest would be perpetuated through their decisions would be lessened.

Senator Carter: You refer to the dynamics of the system and the forces, which you are going to nationalize. Would you say that labour is one of these dynamic forces as part of the dynamic economy?

**Mr. Petrich:** Obviously it represents one of the groups in society that has certain objectives, just as other groups have objectives. It represents a part of the dynamism of the society.

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Senator Carter: Yes, and what are you going to do about it in your new order?

Senator Connolly: Never mind the nice language now; that can be answered yes or no.

Hon. Mr. Toupin: No, he is asking us what we are going to do about it.

Senator Connolly: Before that he asked about labour itself.

Hon. Mr. Toupin: I cannot really see us as a provincial government taking decisions to actually regulate either labour or industry directly. This has to be done on a national level, with respect to both labour and industry. We cannot allow an escalation in profits by industry and endeavour to maintain the salary increases of labour.

Senator Connolly: Are you saying that the province should only play a secondary role?

Hon. Mr. Toupin: No, I think we have a role to play so far as the industries which come under provincial jurisdiction are concerned, not only labour. However, it is equally a national problem.

Senator Carter: Apparently you discard all the programs we have been carrying on, such as family allowances and old age security. These are just plasters on a sore; they are not going to effect a cure.

Assuming that we are not perfect and will not become so overnight or in the next five years, and you start your new social order now, it would take some time to spread it across Canada. Which areas of the present system do you prefer? You said it is all inadequate, even the Canada Assistance Plan. What are your preferences among the measures that we have today and what would you eliminate?

Mr. Petrich: First of all, we would convert from CAP to a GAI plan, administered on a national basis, but making provision for regional differences in cost of living or economic need.

Senator Carter: There would be different income ceilings for people in different parts of Canada and rural and urban areas?

Mr. Petrich: We would presume that because the cost of living in certain areas of Canada is considerably higher or lower than in other areas that there would have to be some sort of provision made in the plan to deal with this problem. We talked earlier about the difference in cost of living in the north as contrasted to the south and between urban areas and perhaps rural areas, but perhaps not. What we are saying here is that, yes, there would have to be some provision made for adjustment.

Senator Carter: What would be your stand, if we adopted that principle for unemployment insurance?

The Chairman: Senator Carter, we went through that before you got in. You may take my word for it that that subject was well covered.

Senator Cook: First of all, Mr. Chairman, may I say that the brief is excellent and that, although I am disposed to be critical on these matters, I really enjoyed it and consider that it will make a real contribution. I must thank the Minister for paying us the compliment of coming here to deliver the brief.

Mr. Chairman, my main question dealing with guaranteed income has really been answered already. Concerning guaranteed income, the brief ends up by saying that it is "therefore necessary to support the GAI, while admitting both its limitations and its cost implications."

Leaving aside for the moment two caveats, if you had the power today you would put into force a guaranteed annual income?

Hon. Mr. Toupin: Definitely.

Senator Cook: You might want to vary the benefits, but that is a matter for debate. But you would accept the principle of a guaranteed income?

Mr. Petrich: Not only would we accept it, Senator, but we have already introduced it in the northern part of Manitoba on a trial basis in the form of an income supplement program that assures a minimum income.

The Chairman: Senator, they are one of the provinces that have given some help to the working poor. They have between 600 and 1,000 heads of families on that program.

Senator Cook: On page 10 of your brief you say that rent and price increases could absorb any benefits of redistribution via the GAI unless the supplies of housing and other goods now in greater demand were expanded. It would seem that as you give with one hand the need in the other hand becomes greater. But leaving aside for the moment political philosophy, there may be some increases, in both rents and otherwise, that are justified under any system of government. Have you given any thought at all to helping by means of subsidies? Either by subsidizing rents or basic lines of necessities?

Mr. Petrich: This also traps you into the same situation that GAI does, in that as the government provides more money for rents in a market situation where there is a shortage, an unusual demand on housing, it tends to push...

Senator Cook: I won't interrupt, but prices are affected by things other than shortage. For example, when costs go up and wages go up. So goods may increase in price and it may have nothing to do with shortage at all. But have you given any thought or study to the possibility of having, shall we say, subsidies to level off or keep down the price of rents or accommodation and a line of necessities for food and so on?

Mr. Petrich: We have given considerable thought to this. We have not done any real in-depth studies in Manitoba although studies have been done elsewhere. We have introduced this concept in programs dealing with housing for the elderly and the aged. We do subsidize that and we assist them up to 20 per cent. But again, it is a kind of self-defeating exercise in the housing situation-in Manitoba, certainly, because our problem there in housing is a shortage of units, and the quality of units which contribute towards social and health problems and economic dependency. So the direct financial involvement of the government is that we look upon it as a temporary emergency type of thing until we can more properly deal with the entire matter of housing, which would have to be done through increasing the supply and quality of style.

Senator Sparrow: Just to backtrack for a moment, Mr. Chairman, the witnesses mentioned CFI together with a figure of \$100 million. Was that a Government grant as such from the Treasury, or was it a guaranteed loan?

Hon. Mr. Toupin: It was a loan to CFI through the Manitoba Development Corporation.

Senator Sparrow: It was a direct loan of \$100 million? It was not guaranteed, though?

Hon. Mr. Toupin: It was a direct loan.

Senator Sparrow: In referring to that particular industry, were you suggesting that the government should make the decision as to where and when industry locates? In fact, was not the decision in this particular case made by the people of Manitoba that that industry would be located there and that those funds would be expended on it through their government of the day? Is that not right? So perhaps they made a bad decision, but people do make bad decisions. Is not the system that they used at that particular time exactly what you are talking about, with the exception that they happened to make a bad decision in your opinion?

Hon. Mr. Toupin: There are two prongs to your question: first of all, I think government should be involved when we talk of actually creating industry, because we are part of this process whether we like it or not. We are called upon to and do act upon infrastructures and so on, which is the cost of the government to the people of the province. Secondly, so far as CFI is concerned, it was a decision of the government; it was an agreement between CFI and other companies involved; it was an agreement between these companies and the province of Manitoba. It is only the aspect of financial participation of the government that we question, and the amount that was invested by governments, both provincial and federal, and by the individual companies involved. We question then, apart from that, the viability of the industry itself. which is something we do not exactly know even today.

Senator Sparrow: The point I am making is that the decision may be bad, but the process of making the decision is exactly the process you are talking about in the government you are referring to. Is that right? The government made the decision.

Mr. Petrich: We are saying that the former government of Manitoba did not at that time—nor does it now—advocate the philosophical approach towards industrial development that we are advocating in this paper. And so I suggest that the process by which they achieved the decision as to whether they should support CFI in Manitoba was quite different from what the process would be in Manitoba today.

Senator Sparrow: So ultimate ownership really is what you are arguing about, then.

Hon. Mr. Toupin: Not necessarily.

Mr. Petrich: No, we are arguing about whether in fact CFI should have been put in the Pas.

Senator Sparrow: So it is a bad decision or it could be a bad decision in your opinion.

Mr. Ford: We have spoken in here to why that could be considered a bad decision. The process was inadequate inasmuch as there was not enough direct citizen involvement. It was a strictly behind-the-door government involvement. It was not really an open public involvement. Secondly, the criteria used were criteria that we are now trying to say should be replaced. In other words, they were strictly economic criteria—and they were badly made—without consideration being given to their social impact. We are saying that decisions like that have to be taken with a more open public process involving the government and that they have to consider the kind of social criteria we have set out here, which were not part of the process previously.

Senator Everett: You are saying it was a bad decision?

Mr. Ford: It may have been. We don't know.

Senator Everett: Are you saying that no doubt it was a bad decision? Is that government policy?

Mr. Ford: No, we do not say that. We do not know that it was a bad decision. It is bad inasmuch as there is not enough information about it to know that it was a good decision.

Senator Sparrow: You refer in a number of places to the redistribution of power, for example, on page 2, page 4 and page 5. Throughout our hearings we have been hearing groups saying "power to the people". That is a slogan as such, and this is what I assume you are referring to: "Power to the People".

We have never been able to ask any one the question as to how really the people ultimately achieve that power. I am not really asking that now because we can come to it later. But the Premier of Manitoba just a few days ago when he was asked to give a great deal of power to the people within his political party in the decision-making process and in government by involving more people in the caucus system and the government system said "no". He said it would tie his hands in the governmental process by giving this power to the people. How do you relate that statement by the Premier of your government to this document?

Hon. Mr. Toupin: Perhaps I can give an example of what I feel should be the method to be used in giving more power to the people who elect governments, whether municipal, provincial or federal and I think we have done some work on this in the past 525 days. We are making use, as I said a few moments ago, of citizen involvement on advisory boards, appeal boards and so on across the whole spectrum of society. We are making use of social animation group dynamics.

Senator Everett: Social animation group dynamics. I just wonder what that is.

Hon. Mr. Toupin: I shall try to explain as I go on. You see, we set policy, but even before we do set policy, I like to see this process being used. Insofar as it applies to the Department of Health and Social Development, being the biggest department in our government, it has to go down. back to the grass roots. You have to consult with the people who are actually consumers of the needs that we supply and ask them what their priorities are and through that process of social animation have them expose their problems, have them try to find solutions to these problems, and try to find methods for making policy. We go back to our department heads, directors, ADM's, Deputy Ministers and myself and try, through this process of power from the people to those who are elected, to make policies that are not only acceptable to the consumer but are actually wanted by the consumer.

Senator Everett: That is a great idea, and when Mackenzie King developed it, I thought it was good.

Hon. Mr. Toupin: It is still good as far as I am concerned.

The Chairman: He says practicing it is good.

Hon. Mr. Toupin: Sometimes for a politician this may prove to be far from being healthy. I know this has been the case in the past. I hate to say this, but experience has proved that sometimes in the past we have felt that we should divide to conquer, but I feel we should unify to conquer, and not just to conquer but to render the services to people that they want, and we can only achieve this through a method such as social animation.

Senator Everett: Any good government will stay in touch with the people and find out what their needs are.

Senator Sparrow: You are saying that the statement of the Leader of your government was not a contradiction of this.

Hon. Mr. Toupin: No, this was accepted by caucus and by cabinet.

**Senator Sparrow:** Do you foresee a society where you will have an equal income for all citizens?

Hon. Mr. Toupin: No.

Senator Sparrow: You don't foresee that?

Hon. Mr. Toupin: Not necessarily.

Senator Sparrow: Who will determine what the income of the civil servant and the unemployed will be then? Who will ultimately make that decision?

Hon. Mr. Toupin: The person himself depending on his capabilities, his profession and what he does. You cannot say that all individuals are equal so far as capabilities are concerned. And making reference to capabilities and the delivery of a system or of a profession will surely determine the amount that this person will actually derive from his responsibilities.

Senator Connolly: And his productivity.

Senator Sparrow: Will this be determined by government edict or by free market?

Hon. Mr. Toupin: By both. I do not think we should isolate one from the other. I think we should always work together.

Senator Sparrow: The society you are referring to, could that be developed in Manitoba alone or would it have to be on a national basis? Then, depending on how you answer that question, could it be developed by Manitoba as a state on its own?

Hon. Mr. Toupin: That is a loaded question. I can see it coming. I think this is very difficult for a province to do. Let us go back to an example, for a moment. We have a Commission of Inquiry into hospital beds in Manitoba which was created a few months back and which is due to bring in its report at the end of December. Now we have acute-care beds in Manitoba on which we get costsharing from Ottawa. But we feel we have patients in acute-care beds now who could actually be let out by the back door of the hospital into extended-care treatment beds at less cost. But here there is no cost-sharing from Ottawa. We said to Treasury Board officials from Ottawa when they came down to meet us in cabinet that we are ready to go ahead with this, and we are ready to go ahead with it on our own, but it would be much easier for the province of Manitoba to expand this program if we had cost-sharing from Ottawa. So, as I say, some of this can be done by a province on its own, but if we want to have a really good program I feel It has to be done on a cost-sharing basis with the federal Government.

Senator Everett: Why is that, Mr. Minister?

Hon. Mr. Toupin: How can we actually, with the tax structure we have today and paying the taxes we are paying, and being limited insofar as the reimbursement that we get from the federal Government is concerned—we cannot really determine where these funds will be applied. We are being told "This is what you are going to do with it."

Senator Everett: Have you given consideration to this? The cost of extended care programs run somewhere between \$14 to \$20 a day as opposed to somewhere between \$40 and \$50 a day for hospital care. In the United States extended care has been the subject of private development.

Hon. Mr. Toupin: We have both.

Senator Everett: Why would you not examine the concept of private development of extended care? Why does it have to involve federal Government subsidies?

Hon. Mr. Toupin: It is not a question of subsidies. If you have patients now, you are paying through the nose and by that I mean that the provinces are paying through the nose for these patients who are now in acute-care treatment beds. If you switch them over to alternative care treatment beds, it will cost less to the province and less to the federal Government, whether they are private or Crown corporations.

The Chairman: Why are you not switching them over? Lack of facilities?

Mr. Petrich: It is the financial incentive. If a person is in a hospital he gets his total bill paid, but if he moves to a nursing home, unless he is indigent, he has to pay the bill himself.

Senator Everett: You are not talking now of the development cost. You are talking purely and simply of the Medicare cost.

Hon. Mr. Toupin: Yes.

Senator Everett: We agree on that. I thought the Minister was referring to the development costs.

Mr. Petrich: We would support the development in the private sector of nursing homes, preferably on a non-profit basis. We would encourage the development of nursing homes in the private sector.

Senator Everett: Why would you care whether it was on a profit or a non-profit basis as long as through efficiency the private investor can do it as well as a government service. Do you really care if somebody makes a profit?

Mr. Petrich: Not at all.

Senator Everett: As long as you can produce a proper quality of care at \$14 a day, does the element of profit offend your sensibilities? Does it worry you if somebody can do it and make a profit at \$14 a day?

Mr. Petrich: No, not at all. In fact, we are subsidizing probably as many profit institutions in Manitoba as non-profit.

Hon. Mr. Toupin: On that point, I am sorry to take you up on it, but when we talk of private or government-owned agencies, I say we should give the same grants to private or government, and I feel they should be operating at the same costs; the incentives should be the same. This is what we are trying to achieve in Manitoba. Right now the privately-owned agencies in some cases are getting more and are costing more than our own system in government. I could give you examples.

Senator Everett: Would you care to give us an example?

Mr. Petrich: We do not have any with us today.

The Chairman: The Province of British Columbia shares the costs of nursing homes...

Mr. Petrich: Under Medicare?

The Chairman: Yes, under Medicare—with the federal Government; and the Province of Ontario shares up to \$9 under Medicare at the present time. Why does not the Province of Manitoba do that? Mind you, they have more money than you have, I know that, but why do you not do it?

Hon. Mr. Toupin: Mr. Chairman, with all due respect, we want to do it. We have asked the Treasury Board in Ottawa to cost-share with us on this, but we have not had an answer.

The Chairman: You have something to go for. Both of them do at the present time.

Senator Everett: I wonder if you could ask the director to give me the facts of the assertion you have just made, Mr. Chairman. I would like to take it to the minister and discuss it with him.

The Chairman: We will get it.

When did the people on welfare last receive an increase in welfare?

Hon. Mr. Toupin: Last fall.

The Chairman: How much, in percentage?

Hon. Mr. Toupin: I cannot recall the exact percentage.

The Chairman: Can you tell from the records when they had received one before that?

Mr. Petrich: I was not here.

The Chairman: No, but from the records?

Mr. Petrich: I do not recall.

Hon. Mr. Toupin: We did not bring it with us.

Mr. Petrich: We have put an escalator clause in our regulations this year, and it is in the process of being approved, an automatic escalator clause taking effect each January 1, beginning next January.

The Chairman: But you say you increased about 2 per cent last year?

Hon. Mr. Toupin: It would be over that.

The Chairman: Or something of that nature, and you now have an escalator clause in there.

Mr. Petrich: Yes, the escalator clause is based on the consumer price index for Canada.

The Chairman: At the present time I think your minimum wage law is \$1.50 an hour.

Hon. Mr. Toupin: Right. It started on October 1.

Senator Cook: In all regions?

Hon. Mr. Toupin: All over the province.

The Chairman: With the usual exemptions that all provinces have. For a family of five—two adults and three children—with the man working full time, at minimum wages he would receive less than he would on welfare from your department—you are aware of that, are you not?

Mr. Petrich: Yes.

The Chairman: And the same thing applies to a family of six, and about the same for a family of four—a few dollars difference. Actually at that wage it is to the advantage of any man with a family—because he can get Medicare and all the rest of it—to stay on welfare rather than work. What are you doing about it? What do you think you can do, and what are you doing?

Mr. Petrich: First of all, I think there are a lot of myths that have been perpetuated with respect to human motivations. We know that in Canada there are hundreds of thousands. I guess—I do not have the exact statistics—of people who are working and making less than if they were on welfare. This is why we are very strongly in support of an income supplement program, the GAI plan which would take this matter into account, and instead of forcing people to shift from employment to welfare and having to make a choice between the two, they could have both, if you will, to sustain a minimum income floor for themselves.

Senator Everett: You could do that right now by introducing a disincentive plan.

Mr. Petrich: Precisely, and we are doing it right now in northern Manitoba.

Senator Everett: A disincentive plan?

Mr. Petrich: Yes, an income supplement program throughout the north, north of Parallel 53.

The Chairman: When you say you are doing it, you are doing something about it, but you are still maintaining it at a welfare level.

Mr. Petrich: We have a minimum income floor.

The Chairman: At a welfare level.

Mr. Petrich: Yes.

The Chairman: And you are doing it now to the extent of about 500 or 600 heads of families,

Mr. Petrich: Probably closer to 1,000 to 1,200 now. It is going up.

The Chairman: Your last figure was 600, but I gave you credit for a couple of hundred more, and now you are raising it on me again.

Mr. Petrich: It has been going up.

The Chairman: The problem you are talking about is the northern problem, where you are doing this; whereas

your real problem is in Winnipeg and the larger areas where you are avoiding it as much as you can.

Mr. Petrich: I would not say we are avoiding it. The provincial government, as the minister has previously said, is under fantastic financial restraints regarding the cost of this.

The Chairman: We understand why. There are seven provinces in Canada that are doing less than you are doing.

Senator Everett: And, in fairness, I think you have made two increases in the minimum wage, have you not?

Hon. Mr. Toupin: Yes.

The Chairman: I have given it at \$1.50.

Senator Everett: \$1.20, was it not?

Hon. Mr. Toupin: When we took office it was \$1.20, and we brought it up to \$1.35, and then to \$1.50 on October 1.

Senator Sparrow: You did not answer my question about the system being able to work in a separate state, as such.

Hon. Mr. Toupin: I thought I did. I am sorry if I did not. I may have some problems in expressing myself very clearly.

Senator Cook: You are doing very well.

Hon. Mr. Toupin: I say it could work to some extent, being alone, but I believe it would work very well with the full co-operation of the federal Government.

**Senator Sparrow:** Do you know what the equalization payments were to Manitoba at the end of the last fiscal year? Do you have that figure?

Hon. Mr. Toupin: No.

Senator Sparrow: Is a figure of \$38 million close? Would that ring a bell with you?

The Chairman: I do not know what they are now.

Senator Sparrow: I am wondering, with that type of equalization grant which brings the Manitoba level basically up to the income standards of the average Canadian, if you cannot progress with the society we are talking about without national participation—as a pilot project in this type of society?

Mr. Petrich: That assumes there is not a geometric scale which requires a relatively greater input of resources into the areas of regional disparity, to serve as a catalyst for investment to stimulate the economy and raise the standard of living. I am suggesting that it is not a straight comparison, a straight relationship between relative disparity and relative affluence, but if you are really serious about overcoming regional disparities it requires a greater infusion of funds now to serve a catalyst effect. Do I make myself clear? This is rather confusing, but this is our problem in Manitoba, and it is the problem in the Maritimes, and so forth.

Senator Fournier: I have one last short question, gentlemen. In paragraph (f) on page 6 of your brief you say:

The present system must be reformed so as to fully and progressively apply the concept of "ability to pay" across the entire tax structure.

Many briefs and many people talk about the ability to pay. I would like to have an opinion from you as to what is ability to pay. What is the limit, in your own opinion?

Mr. Petrich: We believe that ability to pay should be based not only on annual income but on net worth, on the net accumulation of wealth as well. So, we would suggest such things as capital gains taxation, although that is really based upon income, and wealth taxation, need to be studied.

This government has taken a position, for example, with respect to estate taxation wherein we are suggesting that this ought to be a national or federal concern. We suggest estate taxation to more properly or evenly deal with the passing of wealth from one generation to the next. This should be a national concern.

Senator Fournier: When you use the word "ability" it seems to me that it has a broad connotation. Ability seems to impose a limit. Let us take the example of a man who earns \$6,000 and one who earns \$40,000. To me the man who has \$6,000 has a limit, and his last dollar will go in taxation whether it be municipal, provincial, or federal. The man whose income is \$40,000 may pay five times more tax than the man with an income of \$6,000, but after paying his tax he still has a few dollars left. Would you leave those in his pocket, or do you regard "ability to pay" as requiring him to turn his pocket inside out and give every penny he has?

Hon. Mr. Toupin: May I give you one example? We have a personal income tax that is the highest in Canada. It is 39 per cent, I believe. This is based upon ability to pay. Whether you are making \$6,000 or \$20,000 a year, you are paying at that rate. If you are not required to pay taxes after your deductions, then what you have paid all comes back to you. This is what we would like to see, and included in this would be a sales tax. We have a regressive sales tax in Manitoba, as you well know, of 5 per cent, but even that could be reimbursed under a new system.

Mr. Petrich: There could be tax credits for people at the lower end of the scale for the payment of sales tax. You could minimize the regressive nature of the sales tax by lessening the burden on the less affluent.

Hon. Mr. Toupin: How high can you go, senators, as far as the province alone is concerned? We are really working against ourselves, in a sense, if we go that much higher than other provinces.

Senator Everett: That is what everybody is asking, Mr. Minister. Did I understand you to say that you are contemplating a net worth tax?

Mr. Petrich: No, we are not contemplating it. We are suggesting that may be this whole area needs to be

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studied more vigorously, and that research needs to be done on it, because we see continuing in our society the accumulation of wealth and vast empires of wealth from which the income taxation approach does not produce any direct benefit.

Senator Everett: I have to disagree with you, in that the estate tax is a federal tax. It is a tax imposed by the federal Government. However, there is a tax-sharing agreement, and it is up to the individual province to decide whether it will accept or reject the benefits from the tax-sharing agreement.

Mr. Petrich: This is what I was referring to.

**Senator Everett:** So, estates are being taxed in Manitoba, in any event. What other net worth taxes would you suggest?

Mr. Petrich: For instance, certain other governmental jurisdictions have seen fit to impose a personal property tax, which is predicated upon the accumulation of personal property items. This would be an annual taxation.

Senator Cook: Is there such a tax in Canada?

Mr. Petrich: No, not in Canada but in various other places. This tends to be a progressive tax in that it takes more from the relatively affluent, and less from the relatively poor. It is a redistribution mechanism.

The Chairman: Where is there such a tax?

Mr. Petrich: Quite a few state governments in the United States, for example, have such a tax, and I believe one of the Scandinavian countries has it—Sweden, perhaps.

Senator Everett: How does that work? Would you assess each year the total of the personal assets, and then impose a flat rate of tax?

Mr. Petrich: It could work in various ways, and there are various mechanisms for assessing the valuation.

The Chairman: The Income Tax Department does that sometimes when it is up against the wall. It will make an assessment on a net worth basis.

Senator Everett: But that is purely to arrive at an income when they cannot get a proper statement. What these gentlemen are talking about is something in addition to an income tax, whereby a tax is imposed upon the total wealth, whether it increases or not. Each year there is a tax on capital itself. If a man's capital is \$50,000, then he is taxed by virtue of having that capital, even though he does not increase it. Even if he decreases it he is taxed by virtue of having it. That is all there is to that.

Mr. Ford: What we are saying is that we are concerned about the distribution of income, and we do not think that income taxation gets at all aspects of it. We do not have a firm policy on wealth taxes or personal property taxes, and we think these are areas that should be looked

at. There are obviously a number of concerns there that have to be studied as well, but we do not have a firm position on them.

Senator Everett: But you are considering such a tax?

Mr. Ford: We are not putting it out of the realm of consideration.

Senator Sparrow: Are you suggesting that there should be no transfer of wealth between generations?

Mr. Petrich: No.

Senator Sparrow: You are suggesting that there should be such a transfer?

Senator Everett: What would happen under your system of wealth taxation if somebody removed their assets from Manitoba?

Mr. Petrich: This is a national problem, and it demands a national solution. I do not think a province could undertake this kind of taxation and expect favourable results from it. If a province did that on its own then the results would certainly be adverse.

Senator Carter: But you say that some of the States impose such a tax.

Mr. Petrich: They have personal property taxation.

Senator Carter: It is not a tax on capital?

Mr. Petrich: No, it is on personal possessions other than real property.

Senator Everett: It is a variation of the same thing, though?

Mr. Petrich: In a sense.

**Senator Evereti:** And you are considering that. The final sentence in the first paragraph on page 7 reads as follows:

In addition, expenditure decisions should be based, in part, on their distributive effect in making income, goods, and/or services more available to the lowest income quartile.

I just do not understand that.

Mr. Petrich: Basically, when you look at many of our existing Government programs and services you see that they are directed at the middle income groups of people. Traditionally, for example, in agriculture so many of our agricultural extension programs and services, and so forth, have been geared to the middle class farmer. Our recreational programs, the development of parks, and so forth, have been geared towards serving the needs of the middle income group. What we are suggesting, which I think it particularly pertinent to Manitoba, is that we need to do more to meet the service needs of people in the lower 25 per cent of the social economic spectrum.

The Chairman: You said that when you came into office the minimum wage was \$1.20.

Hon. Mr. Toupin: \$1.25.

The Chairman: It was raised twice?

Hon. Mr. Toupin: It was raised twice.

The Chairman: In a period of how many days, did you say?

Hon. Mr. Toupin: We have been in office since July 15, 1969, a year and a half.

The Chairman: That is a somewhat unusual raise to bring about in so short a period of time. What effect has it had on your industry?

Hon. Mr. Toupin: I do not believe it has had an adverse effect on industry. There are industries that leave provinces whether the minimum wage is low or whether it is a little higher than elsewhere. A few industries have left. One that I know of tried to pin it down to the higher minimum wage that we had in our province, but it was an industry that was not really viable and was having problems itself. It was not really because of the minimum wage. We have to take government itself as one source of—how should I say?—

The Chairman: Example?

Hon. Mr. Toupin: Example in a sense. The Government is employing more people in Manitoba than any industry, if we take all the departments of government. It has affected, either directly or indirectly, government through our different departments, our hospitals and so

on. This was something we had to accept ourselves. It was a just milieu that we arrived at; it was not the ultimate. If we had listened to the labour force itself the minimum wage would not have been \$1.50; it could have been \$1.75, or \$2 an hour—because who can live on \$1.50 per hour?

Senator Fergusson: Is it the same for women as for men?

Hon. Mr. Toupin: Yes. We are trying to have them on an equal basis.

The Chairman: I cannot tell from the figures; I assumed it was the same, but Mr. Toupin says so and that is enough for me.

Mr. Minister, we have had a great philosophical exercise this morning, which has been very useful and interesting. It has given us some appreciation of the problems you and the people of Manitoba have, and also given us a better understanding of what you are trying to do. You are involving poor people at some decision-making level, which is very progressive, and you have been doing that for some time, more particularly after our visit to Manitoba. You are also doing something for the working poor, which is very useful and very good. Although your direction may not be our ultimate direction, you are nevertheless attempting to meet the problems. We appreciate the work that was put into the brief, the effort that was made and the concern on behalf of the committee I thank you.

The committee adjourned.

#### APPENDIX "A"

A Social Development Approach to Poverty. A Brief to the Special Senate Committee on Poverty by the Government of Manitoba. November 4, 1970.

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### I Introduction

The Government of Manitoba wishes to use this opportunity to present, and to discuss, its views on the nature and causes of poverty and the directions we, federally and provincially, must take if poverty is to be eliminated. We admit that existing policies and programs, at all levels, are inadequate. Thus it is not our intention to describe or defend Manitoba's present policies and programs. Rather, we seek to present new conceptual perspectives and directions to inform and guide the efforts of all levels of government to achieve the goal of social development for all Canadians. It is an attempt, not to prescribe detailed policies and program plans, but to set forth a philosophic and methodological approach which we believe is essential to any effective solution to the poverty problem.

### II The Nature and Causes of Poverty

In examining the nature and causes of poverty the practice has been to analyze the poor individual, the poor family and the poor community. This approach has provided a good deal of information about the social characteristics of the poor. Such information has been useful in the development of programs to assist the poor in reentering, or adjusting to the existing social order. However, this type of analysis cannot give a comprehensive understanding of the nature and causes of poverty for it assumes, through its focus on the poor, that poverty is solely a function of poor people and their immediate environment, rather than a function—partial or total—of the larger social system.

The Government of Manitoba believes that the nature and causes of poverty can only be fully understood within an examination and analysis of the total social order. From this perspective we see poverty as a function of the dispersion range in the distribution of both wealth and power in today's society.

Poverty is not simply a matter of some absolute level of income, for what constitutes an adequate income to the individual or family is defined by social conventions and by the social pressures of the larger society. Such pressures have been universalized and intensified through the mass media and the advertizing industry. Thus to have adequate food, clothing and shelter-basic standards we have not yet been able to guarantee-is not enough in a society which defines and ranks people in terms of their consumption so that the individual must always consume increasing numbers of goods just to maintain his relative position. Added to this, there is the fact that transportation, communication, education and entertainment are all increasingly important variables in the quality of life which people experience in a society where the self-sufficiency of the individual, family and group has been replaced by the impersonal, complex interdependence of a large scale, urban, market society.

More than this, though, an adequate attack on poverty is not simply a matter of providing some sufficient income (considered in relative as well as absolute terms) but is very much a question of the manner or process by which such a sufficient income is provided. If its provision is seen as an act of benevolence, even though it is the impersonal benevolence of the state, it will support the largely false assumption that poverty is the fault of the poor, and will reinforce the feeling of "recipients"

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that they have no rights of their own and no control over their own lives. Their well-being depends on others. There develops a state of helplessness, powerlessness, alienation and cynicism, moderated only by a benevolence that is insufficient to offset these strong, destructive forces.

This condition of powerlessness and alienation is prevalent among much of society today, including many who have a sufficient income without any direct government assistance. It illustrates an often ignored dimension of poverty which a wholistic, societal approach makes clear-namely the dispersion range in the distribution of power. Some people may object to poverty being defined, even partially, in terms of power, preferring to maintain a strictly financial or income conception of the problem. We wish to point out to such people that they can so limit the definition of poverty if they wish, but in so doing they do not eliminate the problem of a growing sense of powerlessness, alienation and cynicism, nor the necessity for any solution to the poverty-income problem as they define it to be accompanied by a consistent solution to the problem of poverty-power. Moreover, there is a clear connection between the distribution of wealth and the distribution of power. Today's economy is characterized by "market imperfections" and concentrations of "market power" in the form of monopolies, and oligopolies, all of which form a self-reinforcing cycle, concentrating control over the productive processes of society in ever fewer hands. This has led to great inequalities in the distribution of both wealth and power. Redistributing wealth without dealing with market imperfections and market power aspects of our economic system will leave the distribution of power largely intact. The dynamics of the economic system which incorporates these concentrations of power are such that they may well mitigate some of the effects of redistributing wealth, through a general price increase, and/or a further decrease in the quality of production. Without a conscious redistribution of power, we cannot even guarantee the effectiveness of any substantial income redistribution, let alone solve the problem of powerlessness.

It is in this light that the Government of Manitoba believes that poverty is fundamentally a problem of inequality in the distribution of both wealth and power. The eradication of poverty thus requires simultaneous action to redistribute both wealth and power. Such action will involve changes in the existing social order-in those institutions and mechanisms which distribute wealth and power in ways that maintain and reinforce the vast inequalities of today. Changes in financial assistance and social services are necessary, but alone will have very limited effects in eliminating poverty. Assisting the poor to re-enter or adjust to the existing order, while it may be beneficial for the individuals involved, will not prevent the continued existence of poverty, and particularly its powerlessness dimension, for the social order to which such programs help people adjust is to ultimate generator of poverty in all its dimensions.

What this means at the operational levels of policy and administration is that poverty cannot be eradicated by the actions of any particular government department, but rather must be the focus of a governmental approach spanning all departments. Further, the redistribution of power that is required for success broadens the scope of the problem so that poverty is best tackled within the context of overall social development, a context concerned with the quality of life of all Canadians and the egalitarian aspects of Canadian public policy.

### III Some Principles of Social Development

The Government of Manitoba is presently attempting to establish a social development approach to government programming. What follows are some initial principles of social development which we believe provide a guide for government decision-making. Specific "anti-poverty" programs should incorporate these principles; in addition, the principles, if applied broadly, would constitute an attack on the power dimension of poverty.

## (a) Social Development Is The Goal—Economic Development Is One Means To That Goal

It is imperative that the social needs of the individual, family, community and society should be the basis of government policy. This means that the priority traditionally placed on economic policy will have to give way to the fact that economic development is only a means to the end of social development and not an end in itself. Prime emphasis on economic development has not solved our social problems. Policy can no longer be evaluated by its contribution to economic development alone, but must be evaluated on its overall contribution to social needs broadly considered.

# (b) The Well-Being Of People Is The Goal Of Policy, And Implies The Well-Being Of Business

A social development approach operates on the assumption that whatever is good for the social and economic well-being of Canadians is also good for the development of business and industry. This is a reversal of the traditional position, which has failed in as much as the well-being of all Canadians has not been realized by an emphasis on business and industrial development, even when that emphasis has been supplemented by government and private social services. Economic structures which are compatible with the social and economic well-being of Canadians will have to be developed where such structures do not now exist, or where the present structures prove incompatible with the public interest.

## (c) Economic Justice Must Become An Operational Concept

Social development, in addition to establishing non-economic criteria for evaluating policy alternatives, also requires a concept of economic justice involving the principle that the costs of economic "progress" must be covered by the benefits derived from such "progress". As one example, this would mean that persons displaced by technological change—whether their marginal farm has become obsolete, their small enterprise can no longer compete, or their skills have been made obsolete—are entitled, by right, to appropriate dislocation assistance to cover the costs of change which they bear—unemployment, retraining, relocation, disruption of family and community life and so on. The costs of this assistance

should be paid as directly as possible by those who benefit from such changes. This type of reconciliation of the costs and benefits of economic decisions is essential to economic justice and thereby to a comprehensive social development approach.

# (d) Equality Is An Important Criterion Of Successful Policy

Greater equality in the social and economic relations of society is an important criterion of social development policy. It emphasizes the need to narrow the dispersion range in the distribution of wealth and power. In so doing, material comfort and accumulation is de-emphasized as the sole, or even major, human need and motivational force in an affluent society. Other human needs and motivations-such as social interaction, having common purposes with others, being a part of and contributing to a larger entity than oneself or even one's family, self-confidence, recognition, and personal intellectual and spiritual fulfilment-are allowed greater recognition and satisfaction in a more egalitarian social order. Thus, a criterion of greater equality is crucial to the development of whole individuals, the development of fully human persons.

#### (e) Individual Freedom Is To Be Stressed

Social development policy must counter the fact that citizens today, who could be freer than any people in history, increasingly feel constrained and manipulated by the social and economic forces of modern society. To counter this requires that individual freedom be stressed in policy decision-making. Education, information, and product or service quality grading and control must be used as an alternative to restriction of individual freedom of choice wherever possible. The social, cultural and economic options open to people should be actively expanded in order to broaden the scope of individual choice. In addition, vehicles for citizen involvement in decisions which affect them will have to be developed in order that there might be a proper balance of responsibility and freedom for all persons involved. Controls, as far as possible, should be exercised over social and economic forces and institutions, rather than over individuals. Such an emphasis is part of a dynamic, rather than a static, approach to social problems.

#### (f) Democracy Must Be Emphasized

A renewed effort to make democracy meaningful and operational at all decision points is crucial to social development. This means re-evaluating and revising the present political processes so that there are more decisions made with direct citizen involvement, greater opportunities for citizen input into higher level decision-making, and better access to decision-makers and the processes of decision-making. It also means extending the principles of democracy from the political system to the economic system as well.

If such social development principles are adopted by all levels of government and applied to all programming and decision-making, poverty can, we believe, be successfully attacked and eventually eliminated.

IV Social Development and Specific Anti-Poverty Approaches

There are some specific anti-poverty policy and program directions which we wish to present. However, it should be repeated that these points are presented within the context of a comprehensive social development approach to government programming designed to allow the maximal development of all citizens: only through such a comprehensive approach, and not by any anti-poverty policies and programs alone, can poverty in all its dimensions be eventually eradicated.

In order to understand the shortcomings of present programs, and as a pre-requisite to the development of effective programs, it is essential to distinguish between preventive anti-poverty measures and ameliorative antipoverty measures. Preventive measures change the nature of the existing social order which maintains and reinforces wide inequalities in the distribution of wealth and power. Ameliorative measures focus on assisting persons already caught in the poverty trap. Past programs have been mainly directed to the poor and to their environment, on the assumption that the causes of poverty were among the poor. Failing to distinguish between the social causes of poverty and the individual symptoms (effects), such programs simultaneously sought to assist the poor and eliminate poverty. As a result they were able neither to prevent the continued growth of poverty, nor provide effective assistance to the victims of poverty. By recognizing the need for both preventive and ameliorative programs within a broad social development context, it is currently possible not only to eventually eliminate poverty; but to more fully assist those who are presently poor.

We offer, now, some examples of specific anti-poverty preventive and ameliorative policy and program directions which could be adopted as part of a total social development approach;

## (i) Preventive Policy and Program Directions

### (a) Investment Policy

A comprehensive investment policy is necessary if economic development is to serve as a means to social development. Investment is one of the key generators of economic activity. It is crucial in decisions about what is to be produced and how it is to be produced. What is produced affects the material dimensions of our lives. How it is produced affects the material dimensions of our lives too, through industrial location, plant design, pollution and so on, but it also determines, in part, the nature of on-the-job social relations of workers to each other, and to their work effort. Past and present investment decisions have tended to reproduce the American economy "in miniature" in Canada. This has resulted in inefficient production and either higher prices (protected by tariffs) or an inability to compete with foreign competition. Thus the Canadian consumer, including the poor, have paid more for some goods than need be, while Canadian workers have been rendered inefficient and uncompetitive by the structure of investment in Canada.

It is clear then, that investment decisions affect all Canadians. They shape our daily lives, and our society.

Past investment decisions have built, and present investment decisions maintain, a social order which produces poverty. Thus, even in the context of poverty, or perhaps we should say, especially in the context of poverty, a comprehensive investment policy is necessary for at least three reasons:

First, to maximize the social benefits of investment such as jobs, training, community involvement, and to minimize corresponding harmful external effects ("diseconomies") such as pollution, congestion, noise and so on; second, to rationalize the Canadian economy in terms of realizing economies of scale, thereby maximizing efficiency and reducing some consumer prices; and third, in order to allow for the development of democratic methods by which decisive choices about what is to be produced can be returned to the population at large. (Investment decisions, particularly in new enterprises, are often little influenced by simple market forces, for planning and economies of scale require large investment decisions to be made by managers, even before a product is on the market, and then sold to the public.)

At present there is no comprehensive Canadian investment policy, only a series of partial, and mostly indirect, instruments for effecting investment decisions, for example, CMHC mortgages, tax incentives, tariffs, industrial loans, and special area agreements. Such instruments tend to reflect the old emphasis on economic development and the old assumption that what is good for business and industry is necessarily good for the social and economic well-being of Canadians, rather than reflecting a social development perspective which subordinates economic development to social prerequisites and priorities.

A first step towards an investment policy based on social development programming would be to redirect the existing instruments which affect investment. Factors such as employment of minority group members, employment of women, job training, provision for Canadian participation in management (where foreign ownership is involved), input prices (where the supply sources are vertically integrated), output prices or pricing formulae (where marketing and distribution outlets are artificially controlled), profit calculation as between head office and subsidiaries (where foreign ownership is involved), reinvestment policy, pollution standards (including noise levels), safety standards, the provision of related social overhead capital, tax policy at the local level and other such concerns, must be established concurrently with any incentives, loans, tariff advantages, or government provision of social overhead capital. Under-developed countries have found it imperative to negotiate items such as the above in order to maximize the social and the economic benetfis of industrial development. We must do the same if we are to seriously assist our disadvantaged areas and people, and maximize the social development opportunities for all Canadians.

Nonetheless, such provisions are only partial measures; a comprehensive investment policy based on social development principles and coordinated by the federal government will still be necessary. It should be noted that such a policy need not imply state control of investment. What

it does require is a joint re-appraisal by business and government of present growth and investment policies, and their cooperative charting of new policies and investment criteria which more fully incorporate social development concepts. Such an approach will be particularly necessary if overall government policy is to encourage rationalization of the Canadian economy, for such a move, while more efficient in terms of production, will involve increasing monopoly/monopsony, oligopoly/oligopsony power within the Canadian economy.

In addition to the above, we must attempt to develop mechanisms for public expression regarding general investment priorities. This means providing information to the public about new investment possibilities, public discussion of investment alternatives, support for citizen research efforts and developing specific mechanisms for citizen input to both business and government.

#### (b) Alternate Economic Instruments

In view of the continued increase in foreign ownership of Canadian natural and industrial resources with all of the socio-economic and political implications that such takeover implies, there is a growing urgency to develop new instruments for mobilizing and applying Canadian capital in lieu of foreign capital. Such instruments should provide exemplary models of socially conscious investment criteria, and resource development based on social development principles. Two instruments seem particularly appropriate here:

- 1. The formation of a Canadian Development Corporation which would muster savings of Canadians for large economic and social development programs. For example, if the necessary funds had been available through such a corporation, our Northern pulp reserves could have been developed by Canadians rather than through foreign involvement as witnessed by Churchill Forest Industries and Prince Albert Pulp Mill.
- 2. The use of Crown Corporations by provincial and federal levels of government to develop our natural resources, particularly those in the North. The constant drain from Canada of cash and dividends generated from exploitation of our resources makes the introduction of this instrument of high priority.

#### (c) Industrial Democracy

Preventive programs to deal with the power redistribution aspects of poverty should include the democratization of the work place. This means support for, and efforts to create an environment wherein workers can participate directly in the management and decision-making of their plant. Such a direction can not only enhance the power of the worker over his own life, but thereby can also, in many cases, improve the efficiency of the industrial process.

#### (d) Governmental Democracy

Government power must be made more responsive and accountable to the Canadian people if they are to regain a sense of self-control, self-direction, and self-determination. This requires operational decentralization of government whereby decisions, given their particular nature and scope, are made at the lowest level possible and with

maximum feasible participation. Thus decisions affecting the administration of services in a particular region should be made within that region and with local citizen participation. Improving the quality and effectiveness of government democracy will also necessitate a far greater information and communication flow so that citizens can more easily inform themselves about issues and impending policy decisions. The development of instruments by which citizen knowledge and inputs on an issue-by-issue basis can be effectively gathered and incorporated into the governmental decision-making process is, likewise, of crucial importance.

## (e) Community Development

Community Development services are perhaps the most effective means for encouraging meaningful citizen participation and self-held efforts. They are of crucial importance to any substantive redistribution of power policy in as much as they help build the capacity of disadvantaged individuals and groups and the general public to take an active role in directing their own lives, and shaping their society. In addition, community development directly assists those who presently suffer the hardships of poverty, by making maximum use of available programs and resources, and by bringing people together to meet their common needs.

#### (f) Income Distribution Policy

A preventive anti-poverty approach needs an income redistribution policy. This requires the establishment of a truly progressive taxation system. The present system must be reformed so as to fully and progressively apply the concept of "ability to pay" across the entire tax structure. Tax credits which take into account the relative as well as absolute requirements for an adequate standard of living in today's society, should be adopted, including allowance for the actual costs of child care education related expenses, employment services, expenses and other expenses which have a relatively greater impact on the poor and disadvantaged. The transfer of wealth between generations is a matter of urgent social and economic importance also. There is a need to assure that undue concentrations of wealth will not inhibit progress toward income redistribution and this requires uniform, national taxation of estates to achieve a more equitable distribution of wealth. In addition, expenditure decisions should be based, in part, on their distributive effect in making income, goods and/or services more available to the lowest income quartile.

## (g) Public Goods and Services

The provision and use of public goods and services can be utilized effectively both to redistribute wealth and also as a means of recognizing some of man's non-material needs and motivations. The provision of goods and services which are particularly needed by the disadvantaged—meals through school or community based breakfast and/or lunch programs, public transportation, work clothes, child care including day-care and after school services, school texts and so on—help to redistribute wealth by augmenting the income of the poor. Such programs only redistribute wealth, of course, if they are

not paid for by taxes on the poor. Public goods and services which focus on collective use such as parks, cultural events, film services, playgrounds, and even public transportation and community based child services encourage positive social and cultural interaction, and provide opportunities in some cases for active involvement and identification. Such public goods and services must be consciously made accessible—geographically, technically and in terms of public information—to poor communities if they are to be of service to poor people.

### (ii) Ameliorative Policy and Program Directions

## (a) Separation of Financial Assistance and Social Services

The separation of financial assistance from the provision of other social services demonstrates the application of a social development perspective to ameliorative programs. At the present time we submit an applicant for public assistance to a long, degrading application and interview process before granting financial assistance. The purpose of this procedure, in addition to establishing need, is to determine what social services such as personal or family counselling, health services, employment assistance, vocational retraining or other rehabilitative services, are required by the applicant. The acceptance of these services is then established as a pre- or co-requisite to the receipt of financial assistance.

This approach fails to recognize two important facts. First, not all persons who require financial assistance also require social services. This point follows directly from a recognition of the societal causes of poverty. Second, social services are of minimal benefit if entered into under compulsion. Voluntarily accepted social services are much more likely to assist the individual person.

Thus, the separation of financial assistance and social services helps establish the right of the individual to financial assistance solely on the basis of need. It makes financial assistance more readily available, and removes the necessity for submission to sometimes unnecessary and frequently ineffective "treatment and rehabilitative" services which too often invade the privacy and degrade the dignity of the consumer of financial assistance programs. As a result of separation, and the consequent time saving, social services could be provided on a more intensive and personal basis to those who desired to use them, thereby improving the quality of assistance provided to the consumer of social services.

The separation of financial assistance and social service delivery systems will necessitate the development of new "outreach" programs for the delivery of social services. Such "outreach" will involve informing the community and particularly the disadvantaged about the availability of social services. It will include preventive measures which seek out early problem symptoms and encourage the use of appropriate social services in problem prevention. And it will require outreach counselling, on a voluntary client basis, as to which services might be helpful to a particular individual. Such new practice could very well improve the overall usefulness of the social services package.

## (b) A Self-Declaration Application for Financial Assistance

The right of the individual citizen, and the dignity of the financial assistance applicant, can be further supported by the adoption of a simplified, self-declaration application procedure for financial assistance. The selfdeclaration procedure has been applied and has proven its worth and effectiveness in a number of areas, such as unemployment insurance, financial assistance for the aged, income reporting for taxation purposes, and more recently in the New Jersey Experiment involving a guaranteed annual income. Moreover, the self declaration procedure would free up significant amounts of staff time which would be directed to the improvement of nonfinancial social services, and the establishment of "outreach" programs. At the same time, honesty and accuracy can be adequately assured by means of a random sample post audit.

#### (c) Incentive Scheme

A social development approach to financial assistance programming requires that the individual be encouraged and supported in efforts to improve the social and economic environment he, his family and his community face. Present practices which remove, through decreased assistance, 100 percent of the earnings of a consumer of financial assistance programs once those earnings exceed some minimal amount are, to some extent self-defeating. An incentive scheme which encourages financial assistance recipients to develop supplementary income leading to economic self-sufficiency is needed. In this way persons on financial assistance will be able to contribute to their self-development and to the social development of the larger society.

## (d) Cost of Living Escalator Clause

An automatic, cost of living escalator clause built into our financial assistance programs will protect the real value of the assistance provided. We consider such protection to be an important tenet of social justice.

## (e) Broader Eligibility for Assistance Programs

Eligibility for financial assistance and all social services should be broadened in order to allow all those in need to be assisted, thereby contributing to the fuller realization of the social development potential of all Canadians.

## (f) Access to Health Care and Integration with Social Services

Health is crucial to everyone's quality of life; thus health care services are essential to social development. While financial barriers to health care for the poor have been minimized, other barriers remain. Health care must be more directly extended into poor communities through the provision of neighbourhood health and social development centres. The provision of health care in isolated areas must be improved and extended. Also, increased information and understanding, decreased waiting time and red tape, continuity of services and perhaps most important, a more personal, less intimidating health care process must be developed. Health and social services need to be closely integrated so that the total needs of

consumers of both health and social services are more easily and fully provided for. In the area of health care, the middle class often fare little better than the poor. For them, significant financial barriers remain to comprehensive health care. If a social development programming approach is to become a serious reality, these barriers must be removed by the extension of universal medical insurance coverage.

### (g) Preventive Health Care

Preventive health care services must be given higher priority, particularly, in poor communities, if the health programs of the poor are to be ameliorated. The integration of health and social services will help public health personnel assist families to meet their preventive health needs through a closer association with the provision of special financial assistance, and other social services.

### (h) Educational Opportunities

Education is a crucial way of helping people break out of the poverty cycle, but to date we have been unsuccessful in extending full educational opportunities to poor and disadvantaged citizens. To do so will require high quality teachers, modern educational resources, afterhour study facilities, community outreach programs, new adult education approaches and so on, all specifically oriented to, and located in, poor and/or disadvantaged communities. To ensure this orientation, poor communities must be given a greater role in the policy and operation of local schools.

In addition, if post-secondary education is to be accessible to poor and disadvantaged citizens, new student financing programs will have to be developed which take into account the reluctance of students from poor families to go into debt. This reluctance, based on the experience of their family and friends, is all too often justified. Credit and debt instruments are no friends of the poor. Moreover, student financing must take into account the foregone earnings of the poor student; these are often very necessary in a poor family.

In making education a vehicle for overcoming the poverty trap, it will be increasingly tied into the community, and into other government efforts. Federal assistance may well be needed, particularly in the area of student financing.

#### (i) Housing

Good housing is an essential means of fostering the fullest possible development of the family unit. As such, it must be related to the changing nature of the family unit and the corresponding needs of the family with regards to health and social development.

Housing policies must be designed to optimize the total costs including the social costs of residential services and provide highest performance of the total residential services package. Housing policies must be related to new kinds of social and economic activity and improved journey to work patterns particularly for the no car and one car households.

Housing policy must include taking responsibility for those elements of the residential environment which the Poverty

private sector cannot or will not provide, as well as those areas of the urban milieu which have direct bearing upon the future breath of the urban complex.

Public transport services and community facilities, such as nursery schools, tot lots and parks ultimately affect the total residential environment, and legislation exists which if appropriately applied can give the public its rightful share of value added from new public improvements.

Housing is a major subset of any effective social development policy; therefore housing must be given a high priority in any attempt to ameliorate poverty and social disadvantage.

Housing policy must include alternatives which transcend the classic stereotypes of public housing and private homes. A variety of rental policies and ownership programs can be applied to achieve a wider range of choices in particular for the lower and moderate income groups.

### (i) Ecology

Concern with man's physical environment is another aspect of social development. Pollution has become a major problem affecting us all: but it often affects the poor more acutely. They live in the most congested areas of our cities; they work in our most polluted factories; and in rural areas their water may be polluted and untreated because their homes lack municipal services. It is no longer sufficient to abate (or minimize) pollution, certain types of pollution must be prevented entirely if adverse long-term accumulative effects on health are to be avoided, and if the esthetical and recreational qualities of our society are to be adequately protected. Thus concern with pollution, which can result in ameliorative programs, can also expand into substantial preventive programs based on concern for human ecology, or the total human environment. Such concern and programs feedback into other programs providing, for example, a set of criteria as an input for investment policy.

## (k) Other

Many more ameliorative anti-poverty policy and program directions could be presented—transportation, legal services, retraining, consumer education, recreation and on and on. All could be elaborated on in much more depth than we have done here. But our point, we hope, is clear; both preventive and ameliorative programs are needed—and both must be undertaken within the concept of a more comprehensive social development framework for all government programming and decision-making if poverty is ever to be eradicated from the Canadian social order.

#### V. Comments on the guaranteed annual income

At this stage of your deliberations, given the importance you have attached to the concept of the Guaranteed Annual Income (G.A.I.), it would be inappropriate for us not to comment on this topic. Therefore we present a few, very limited comments about the G.A.I., considering it from a comprehensive social development perspective.

It should be clear from what we have already said about the separation of financial assistance from social services, the adoption of a simplified self-declaration application procedure for financial assistance and the need for an incentive scheme, that the Government of Manitoba supports the basic concept of the G.A.I. We believe that the G.A.I. is an important element in an an overall social development approach.

However, we wish to caution that the G.A.I. is only one element in an effective fight against poverty. By itself, it is not a remedy for poverty; it is not even sufficient, on its own, to fully assist those presently caught in the poverty cycle. To suggest that the G.A.I. is an effective solution to the poverty problem would be irresponsible and dangerous. It would be irresponsible in that it could delay the adoption of a much needed, comprehensive social development framework for government programming and decision-making at all levels; it would be dangerous because it could arouse false hopes and ultimately result in frustration and desperation.

We must recognize that the G.A.I. is not an adequate instrument of redistribution policy. It does not significantly redistribute power; nor is there any assurance that it will even effectively redistribute financial resources. Rent and price increases could absorb any benefits of redistribution via the G.A.I. unless the supplies of housing and other goods now in greater demand were expanded. Moreover, there could be a tendency generated for wages, within a certain range in the non-unionized sector, to fall to the minimum level prescribed by law (this is known as the Speenhamland effect). Employers would profit; the G.A.I. would cover some portion of the drop in income, and workers would continue to work at their jobs unless they could find higher paying ones, which is quite unlikely.

Finally, we wish a word about the cost of the G.A.I. It is our firm belief that the G.A.I. will cost more than existing financial assistance. If an incentive scheme is built on a guaranteed base approximately equivalent to existing financial assistance payments, a great number of persons presently earning more than this amount, but less than the amount at which all assistance is eliminated under an incentive scheme, will become eligible for partial financial assistance. The exact amount involved will, of course, depend on the incentive rate incorporated into the G.A.I. plan. Nor, can we see a lower guaranteed base level of financial assistance than that presently provided; if anything, we believe that an emphasis on redistribution, and considerations of social justice in terms of a minimal standard of life, require a higher guaranteed income level. Further, recognition of the right of all citizens to a G.A.I., the simplified application procedure. and the separation of financial and social assistance will, in all likelihood, increase the number of applicants as those who previously felt harrassed, intimidated, or simply frightened by the old administrative and punitive measures, claim the assistance to which they are entitled.

These cost increases associated with the G.A.I. are necessary if it is to be effective even within its limited scope. They must be openly discussed and accepted if we

are not to be caught in a political trap where it becomes necessary to implement G.A.I. without any increase in financial assistance expenditures. To do so would mean that some people—those most adversely affected by poverty—would end up in a position far worse than at present. The assistance provided them would be reduced from that which they presently receive. To accept this, or to stumble into such a political trap, would make a fraud of the G.A.I. for it would then become a guarantor of poverty, not an element in its eradication.

It is therefore necessary to support the G.A.I., while admitting both its limitations and its cost implications. VI Conclusion

The Government of Manitoba is attempting to move in new directions, seeking new ideas and new answers for the solution of long-standing problems. We are moving toward the type of wholistic social development approach to governmental programming and decision-making which is presented in this brief. We believe that this is the only effective way to tackle the structural origins of problems such as poverty, while at the same time exercising our responsibility for the social and economic wellbeing of all Manitobans.

But poverty is a national problem. It requires a national solution. We therefore hope that the federal government will also move towards a comprehensive social development approach, including both preventive and ameliorative anti-poverty policies such as those put forth for discussion here. This is the direction we hope the Senate Committee will urge.

Gentlemen, we have appreciated this opportunity to present our position to you.

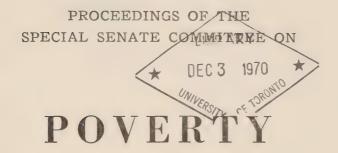






Third Session—Twenty-eighth Parliament
1970

## THE SENATE OF CANADA



The Honourable DAVID A. CROLL, Chairman

No. 10

THURSDAY, NOVEMBER 5, 1970

# MEMBERS OF THE SPECIAL SENATE COMMITTEE ON POVERTY

The Honourable David A. Croll, Chairman

Hastings

Lefrançois

McGrand

Pearson

Roebuck

Sparrow

Quart

MacDonald (Queens)

Inman

The Honourable Senators:

Bélisle Carter Connolly (*Halifax* 

North)

Cook
Croll
Eudes
Everett
Fergusson

Fournier (Madawaska-

Restigouche, Deputy Chairman)

(18 Members)

(Quorum 6)

## Orders of Reference

Extract from the Minutes of the Proceedings of the Senate, Thursday, October 8, 1970:

With leave of the Senate,

The Honourable Senator Croll moved, seconded by the Honourable Senator Fergusson:

That a Special Committee of the Senate be appointed to investigate and report upon all aspects of poverty in Canada, whether urban, rural, regional or otherwise, to define and elucidate the problem of poverty in Canada, and to recommend appropriate action to ensure the establishment of a more effective structure of remedial measures:

That the Committee have power to engage the services of such counsel, staff and technical advisors as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, and to report from time to time;

That the Committee be authorized to print such papers and evidence from day to day as may be ordered by the Committee, to adjourn from place to place, and notwithstanding Rule 76 (4), to sit during sittings and adjournments of the Senate;

That the evidence taken on the subject during the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Bélisle, Carter, Connolly (Halifax North), Cook, Croll, Eudes, Everett, Fergusson, Fournier (Madawaska-Restigouche), Hastings, Inman, Lefrançois, MacDonald (Queens), McGrand, Pearson, Quart, Roebuck and Sparrow.

After debate, and—
The question being put on the motion, it was—
Resolved in the affirmative.

ROBERT FORTIER, Clerk of the Senate.

## Minutes of Proceedings

Thursday, November 5, 1970

Pursuant to adjournment and notice the Special Senate Committee on Poverty met this day at 9.30 a.m.

Present: The Honourable Senators: Croll (Chairman); Carter, Cook, Eudes, Fergusson, Fournier (Madawaska-Restigouche), Inman, McGrand, Pearson, Quart and Sparrow. (11)

In attendance: Mr. Frederick J. Joyce, Director.

The following witnesses were heard:

Social Planning and Research Council of Hamilton:

Mr. Peter C. Pineo, Chairman of the Committee on Poverty;

Mr. Frank E. Jones, Chairman of the Research Advisory Committee;

Mr. Robert Arnold, Research Associate; Mr. Reuel S. Amdur, Planning Associate; Mrs. Moore, Client.

The brief presented by the Social Planning and Research Council of Hamilton was ordered to be printed as Appendix "A" to these proceedings.

At 12.15 p.m. the Committee adjourned.

Attest:

Georges A. Coderre, Clerk of the Committee.

# The Special Senate Committee on Poverty

## **Evidence**

Ottawa, November 5, 1970.

[Text]

The Special Senate Committee on Poverty met this day at 9.30 a.m.

Senator David A. Croll (Chairman) in the Chair.

The Chairman: Honourable senators, this morning we have before us The Social Planning and Research Council of Hamilton and District. They appeared before, as you will recall, in Toronto on March 12. Mr. Hunt then spoke for them as Chairman of the Poverty Committee, I think he was also treasurer. Doctor Jones and Mr. Amdur were there and also Mrs. Moore. I looked through the record of that meeting which is to be found in volume 28 of our proceedings and I found the following statement of Mr. Hunt which I shall now read to you.

When the results of our survey of low income families are collated and we have drawn our conclusions, we expect to throw more light on the specific problems of the poor.

On behalf of the Council, I reiterate our hope that you will permit us to communicate to you the findings of the survey. For our part, we would be prepared to meet with you in Ottawa if need be.

Following that they were invited to come here and so they are here today. Their survey is completed and you will be so informed.

Now, sitting on my right is Doctor Peter Pineo, Chairman of the Committee on Poverty of the Social Planning and Research Council of Hamilton and District. He is Professor of Sociology at McMaster University. He has also taught at Carleton University. He is a native of British Columbia. I shall now ask him to introduce the other delegates.

Mr. Peter C. Pineo, Chairman of the Committee on Poverty of the Social Planning and Research Council of Hamilton and District: Honourable senators, as the chairman told you, we are returning today principally to report the results of our sample surveys of people living in poverty in Hamilton. This appears in volume II of our brief, a large descriptive account of what we found in interviewing around 200 families living in poverty.

We present also at this time a summary of all our work in volume III which includes some review of the material we covered in volume I—our initial brief—a summary of the highlights of our survey and a few new things. From our survey actually only four new specific recommendations developed.

On page 1 of volume III we added to our already long list of recommendations, one concerning family planning, one concerning the training services for the poor, one concerning the use of foreign training in Canada, and finally one dealing specifically with a local question—a study of our north end.

The final point we make is the result of questions posed at our last appearance. The committee has continued to deliberate on the question of a solution to poverty and reached some degree of agreement. At the very end of volume III the last two paragraphs generally suggest our area of agreement.

Our estimates suggest that to bring people up to the poverty lines in Canada as a whole, as we have suggested, would be very costly, being approximately \$3.5 billion. The committee agreed that it was not conceivable therefore that there could be an instant solution, but we do feel that probably an active program over a period of ten years should be sufficient.

The committee felt, and the council feels that the guaranteed annual income must be a part of the package of techniques used to solve this problem, but only part of a package. We describe throughout other tools we think should be used. There was, however, disagreement in the committee as to whether the guaranteed annual income should be universal or selective.

Other members of our delegation would like to speak briefly at the beginning, particularly about the results of the survey.

First, Dr. Jones. Dr. Jones is Chairman of the Research Advisory Committee of the Social Planning and Research Council of Hamilton and District and Professor of Sociology at McMaster University. Dr. Jones has also taught at McGill University and the National University of Australia. He is currently editor of the Canadian Review of Sociology and Anthropology.

Dr. Frank E. Jones, Chairman, Research Advisory Committee, the Social Planning and Research Council of Hamilton and District: I would like to make a few observations on volume II, which is the summary of our brief. I will not speak in detail with respect to the findings, because they are either in the large volume or summarized in volume III.

With respect to our objective in undertaking this research, we were concerned to obtain some facts with respect to the economically deprived part of the population in Hamilton. It seemed to us before we embarked on this that the details regarding the poor were very scarce. I know personally that when I spoke to people who I thought might know something about the extent of poverty in Hamilton I frequently found that they shook their

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heads and said that they really did not know. This is not to say that there are not people, welfare workers, clergymen and others, who are in contact with the poor.

Senator Fournier: Did they say that they did not know that there were any poor?

Dr. Jones: No, they did not say that they did not know there were poor, but if they were asked how many poor there were in Hamilton, for example, they would not know the answer. Nor would they know the style of life and conditions under which the poor live. Occasionally there is a newspaper article dealing with this. For example, one weekend newspaper published an account on Halifax not long before our research, but it was a pessimistic article written by one person. We wish to get more than that.

As I say, there are people who know something about the poor, but what they knew was not readily available to others in the community, especially to those who might be able to do something about it.

The other aspect of our objective in doing this was that it was our understanding that there are very few, if any, local studies of the poor in Canada. The Economic Council had done a very broad study of the country, but if you are considering particularly cities there was not very much information available. ARDA had looked into the rural poverty situation and there were some studies made in that area. Therefore we thought it would be worth while doing this, not only to help eliminate poverty in Hamilton, but to be of assistance to those in other urban communities in Canada.

I would also like to say that while we think our research is quite good and the study produces some solid facts, it is not as good as we would have preferred it to be. We would, for example, have preferred to have spread a wider net, to have been able to study more people. Had we been able to question more people, both poor and non-poor, we would have done so. We would also have preferred to have gone beyond just asking people to answer questions in interviews and perhaps to have been able to observe directly their activities, rather than depending only on what they said.

The basic reason for this was time and money. We did not have the funds to employ enough interviewers to carry out the number of interviews that would have improved the report. We could have done with at least one full time research assistant to help Mr. Arnold. However, we did not have the resources.

I suppose one could say that at any rate we found ways of making a small amount of money go a long way to produce a good report. The point is that we would have done better more easily with more funds. I cannot help but reflect, although I would not recommend it, that penury has its points; we found ways to make a little amount of money go a long way.

It was not for the want of our looking for funds. We really just could not find them wherever we asked. Therefore we operated with a very small budget in actual additional funds, although the Social Planning and Research Council, since it was paying salaries for Mr.

Arnold, Mr. Amdur and secretarial staff, really contributed a good deal to the study.

Time was a problem, because we wished to complete our work in order to supply facts to the Committee on Poverty of which Dr. Pineo is now Chairman, so that their conclusions would be based on those facts.

Some of our findings confirm what we might expect from studies carried out in other places, particularly in the United States, or perhaps even on the basis of reason. For example, it is not surprising to learn that the very poor spend less on food than do better-off people, or that food represents a higher proportion of their expenditures than that in any other income levels. We know that this is the case in other places.

Nor are we surprised to find that the poor are concentrated in certain parts of a community, or are characterized by low levels of education. Those facts are not particularly surprising, yet it seems to me that learning these details with respect to one's own community is very important. It may bring home the message to those in the community who can act to change the lot of the poor. Even if one is inclined to say "Yes, well, that is not surprising," it is still important to say it.

On the other hand, I think there are some surprises in our findings. There is something surprising in the details of the sources of the income of the poor which our study has revealed. These show that a majority of the poor are working, their income being gained primarily from wages or salaries. Such a finding makes it difficult to think of the poor as shiftless individuals who live off others. A majority are working poor.

We also learned that the next largest category is the aged, that is persons aged 65 years and over. Taken together, that means that over three-fifths of the poor in Hamilton fall into those two categories. The remaining minority include some people on family benefits, some on general welfare assistance and some who are in receipt of either unemployment insurance or workmen's compensation. That illustrates that only a minority of those in poverty are actually on welfare.

Another important finding was that the very poor in Hamilton endure worse housing than any other income group, even though they pay as much for it as the better-off poor in our sample. Since the very poor are more likely to rent than to own their houses, this evidence seems to call for tenant protection from the landlord. Some of our findings reveal that the poorer people are the less recreation they have or enjoy, the less community participation in the sense of belonging to organizations. We show that the poorer a person is the more likely he is to be ill.

If these and other findings in our report point to the poor having less of what the majority consider necessary for the good life, it seems to me amazing that we still found that the poor continue to participate in the community in some respects. I mean this in the sense that their voting rates were relatively high in elections; they expressed satisfaction with their neighbourhoods; they continue to regard themselves as being respected by others. In all these cases where I am mentioning these

things, we saw that the poorer a person was—that is to say the further they were from our poverty lines—the less these statements would be true. But in all cases it looked to me as though there were substantial proportions of people, even among the very poor, who said they liked their neighbourhoods or voted and so on.

This again struck me as important, and I thought this kind of finding should not lead us to complacency. It should perhaps allow us to recognize that there is still time to engage with the poor to eliminate injustices that we find in our communities; there is perhaps still some time. Although our research does not provide guides to that larger task of engaging with the poor, it does give us some directions for the elimination of poverty, particularly in the sense that I think our study identifies and distinguishes certain target groups, if you like. Thus, for example, the aged: we concede that if we can improve old age pensions until the Canada Pension Plan is fully implemented, it would be one way of dealing with that part of the poor. Increasing public assistance rates would deal with that part of the poor which we identify as being in need of public assistance. By improving the lot of the working poor-which you will recall is the largest group of the poor in Hamilton—either through encouraging what I think of as rational minimum wage legislation, or by supplements to income for the working poor, we would have ways of eliminating the poor and eliminating poverty. That seems to me to come directly from our study.

We hope that the Social Planning and Research Council of Hamilton has been of some service in providing these facts about one large urban community which will assist senators in their deliberations of this important matter.

Dr. Pineo: I should now like to introduce our two technical people. We have here Mr. Robert Arnold, who is a research associate of the Social Planning and Research Council of Hamilton. Next to him is Mr. Reuel S. Amdur, who is a planning associate with the Social Planning and Research Council of Hamilton. These gentlemen have done the bulk of the work in preparing the reports.

Mrs. Moore, a lady who worked diligently on our committee, is originally from Hearst, Ontario. She spent most of her life in Hamilton. She is currently receiving public assistance for herself and her 14-year old son and would like to say a few things about what it feels like to live on a minimum income.

Mrs. B. Moore: Mr. Chairman, I wish to speak not only on my own behalf but on behalf of the many families in Hamilton in similar circumstances to myself. I have been on mother's allowance for two years. I have one son who is 14 years old. I was advised by the family court that it would be to his benefit for me to go on mother's allowance rather than work, in order to see to his home life and his schooling, rather than have him running the streets all hours of the day and night. I am currently receiving \$193 a month for six months and \$212 for six months, the fuel allowance being the difference between those two amounts.

I have learned through my own experience that the cost of living far exceeds the amount allocated to people on public assistance. It is impossible to acquire extras, such as bedding, linens, clothing, etc. necessary to maintain a decent living standard. The breakdown of appliances such as the washer, the iron or furniture, or in my case the TV, is more or less a major disaster. It has been remarked that people on public assistance should not have a TV, it is considered a luxury. On the contrary, it is one of the things we have that is considered an entertainment. There is no such thing as the extravagance of going to a movie or having Sunday dinner out or anything like that when you are on public assistance. Therefore, watching different programs on T.V. in the evenings is essential, giving up something to do.

As reported in volume II, chapter 5, people below the poverty line do very little entertaining. If I have word that relatives are coming for a visit there is a panic, wondering how I will be able to seat two or three extra people for a meal or two. If you cannot extend an invitation, it is almost impossible to expect people to have you in their homes to entertain you, if you cannot reciprocate and invite them back.

My son visits friends whose parents serve refreshments. This is one thing that I try to do at least once or twice a month, as I don't feel he should go into other homes expecting that sort of thing if he cannot reciprocate in his own home when he has friends over to visit him. There are many more examples of discontinuation of visiting parents, mentioned in volume II. I feel we have a great need to update assistance in federal, provincial and municipal governments. There is a need for more awareness of the living conditions of those below the poverty line, and a great need for participation in the planning of welfare by citizens who are on public assistance. After all, who knows better than we do the conditions that exist today.

The Chairman: Mrs. Moore, we will get back to you in a little while. Sit close by, because there will be some questions put to you.

Senator Fournier: I want to praise the council for the tremendous work they have done. I think this is the most complete brief we have received so far. Believe me, there is enough reading in the brief to keep a man busy for two weeks.

I am pleased to discover that the council found the same thing as we did when going across the country. It is a satisfaction to the committee to find groups in similar work arrived at the same point, the same crossroad, and you are to be complimented.

On your new recommendation, No. 2:

Canada Manpower needs to find ways to make its training service more attractive and available to the poor.

What do you find wrong with the Manpower and where are they lacking and what do you recommend that they should do? It seems that in most areas the Manpower has gone all the way, using school facilities, vocational and training facilities. The attendance has been very good.

Sometimes I have been critical of attendance because the access was too easy. Apparently you find something different. What do you mean by "making it more attractive and available to the poor"? Are not the doors open to all the poor, their wages are paid, the transportation is paid and we try to upgrade them. What else could we do?

Mr. Reuel S. Amdur, Planning Associate, The Social Planning and Research Council of Hamilton: Basically we found that amongst the very poorest people in our sample, none of them were using Canada Manpower and this was the reason for the suggestion that there had to be some kind of effort to reach out to them.

Senator Fournier: Before you go further. You say none of them?

Mr. Amdur: None of those in our survey.

Senator Fournier: Why not? Was it lack of money or lack of clothing?

Mr. Amdur: It is really hard to answer the why, but since we found that none of them were using Canada Manpower we found that some special effort should be made to reach out to them and I think that there are various kinds of possibilities as to what may be done in this regard. For example, there could be a real recruiting job and selling job in particular neighbourhoods for basic literacy training. This might be helpful. It involves taking a more active role, in going out and selling the program in some way to low income people. I say that without having a great number of very specific ideas, but simply finding that this group, which apparently needs the service the most, in our sample was not using it at all.

Senator Fournier: Do you find it was a uniform situation in all the research areas in which you did some work?

Mr. Amdur: On the other levels of poverty people used Manpower in varying degrees, or planned to; and it was interesting in the study that we made, that the men indicated that they planned to use it less often than their wives said that they thought the husband was going to be using it. That leads us to believe that the wife had more ambition in this situation than the husband. Still, among the lowest level of income, we found that Canada Manpower training was not used.

Mr. Jones: This might be a general problem. I do not know whether it applied to this situation, but there had been studies in the past which indicated that very poor people are discouraged. They just do not go to agencies of a variety of kinds. They are discouraged by them. No one clearly knows why. Sometimes there are routine procedures and often impersonal contacts with agencies, whether public or private. This is recognized more and more in the welfare field, so there are attempts to respond to this. Also, our studies show that the poorer you are, the less likely you are to belong to anything. It may represent a more or less generalized withdrawal from a variety of activities, whether going for help or belonging to some kind of organization at all. I think Mr.

Amdur's other point is that even if you do not know why that happens, it has its importance for the agency.

The Chairman: Why no one took advantage of something you knew that was useful and available. It seems to me you should have dug and dug to find out the answer why they did not. The answers you are giving us today are only one of the answers that we have been receiving across the country. There are two or three others.

Senator Connolly: It is not that easy, because there is a certain percentage of people, the type we are referring to now, who have automatically dealt themselves out.

Mr. Jones: That is part of it. Perhaps Mr. Arnold will comment on this. Part of this we did not know until we had done the analysis. We are interested in finding out what further research should be done. Perhaps this is an area where you do need research and where perhaps funds have to become available. You never do any research that answers all the questions, you always come back with more questions to answer.

Senator Fournier: Do you find the same situation in the larger cities, rather than in the rural areas? Was your research confined to Hamilton?

Mr. Jones: Yes.

Senator Fournier: Because you mentioned Halifax.

Mr. Jones: I was referring to an article in the newspapers, that there is a lack of knowledge about it there.

Senator Fournier: Coming from the east, I always thought that Hamilton was one of the most prosperous parts of Canada.

Mr. Jones: It is.

Mr. Arnold: If I may add to this, there is one thing that is not indicated in the report and it is related to the question you have asked. We did ask people in a general way if they had indicated any interest in improving their education or their occupational qualifications. We asked whether it ever occurred to them and in the majority of cases it had occurred to them that they might take some kind of training to improve their occupational chances. In the cases where they said they had decided against getting any further training, the most common reasons given were age, lack of background, and lack of ability. After that, there was a reason given by about 8 or 9 per cent, that they did not have time to take training. I am a little skeptical about that reason. The first three reasons seemed to me to be appropriate, whether or not these people have accurately assessed their own situation. The person who says he lacks the background to take training for a job he would like to take, may not have investigated the situation carefully enough to know whether he could get into the program. The person who says he lacks the ability might be a person who simply by a series of personal failures may have learned to underestimate himself. The point is that these were the kind of reasons that were given.

Senator Fournier: What about the person who says he has not got the time?

Mr. Robert Arnold, Research Associate, The Social Planning and Research Council of Hamilton: This adds up to about 8 or 9 per cent of them. It is not the larger proportion. I do not know what that excuse means. It may simply mean that he simply does not have an interest in upgrading his qualifications, or he may be working 40 hours a week and have six kids. I do not know.

Senator McGrand: Mr. Chairman, I am very interested in this brief and I have read through all the yellow pages of this one. Before I ask a question—I have several—I would like to start in where I left off on March 12. I asked this question, and I will repeat it. I think Professor Jones will have some idea about it. It is this:

This question could be answered at a future date, but I would like some consideration now. My question deals with the problem of finding housing for people who have been displaced by new building in the neighbourhood. What is your opinion on the policy of tearing down fairly old but adequately maintained buildings of two, three or four storeys, which are sound buildings, and erecting high-rise apartment buildings? I realize that this gives an increase of land value and an increase of taxes to the city, and is good for the developer, but as a rule does it serve the public need. This is a big question.

The Chairman terminated that discussion by saying that it was a big question and we would tackle the little ones that day. Would you just give me your opinion in a short answer on that point?

**Dr. Pineo:** We endeavour to deal specifically with your question at page 8 of our volume III where we comment as well as we can. If you would like us to elaborate on it Mr. Amdur is prepared to comment further.

Mr. Amdur: Senator, the answer to that is in paragraph 1.17 on page 8 of Volume III:

Senator McGrand asked for our view on demolition of old, sound buildings of two to four storeys in order to replace them with high rise apartments. In the first place, such a direction is inherent in high and increasing land costs. Where land costs make up a large part of final housing costs, there is a strong impetus to move to greater density. Socially, people are beginning to question the endless push in the direction of greater and greater density, however. Increasing concentrations of people are accompanied by increasingly serious problems of pollution and waste disposal, transportation, and availability of various amenities. These problems are especially marked when there is a sudden increase of population in areas originally designed for less intensive concentrations of people where services grew gradually to meet these less intensive concentrations.

Then we quote from an article by a reporter in the Guelph *Mercury* who argues in terms of the late Kenneth Soble, the first chairman of the Ontario Housing Corpo-

ration, in favour of greater dispersal of public housing units. We also refer to the recent Toronto-centred region plan of the Regional Development Branch of the Ontario Department of Treasury and Economics, which is thinking in terms of trying to counteract a growing concentration of large numbers of people from Toronto westward toward Hamilton, toward the Golden Triangle area, and instead to get people to move toward the Cobourg-Port Hope area.

Senator McGrand: One of the problems you have in Hamilton, apparently, is that people have moved into Ontario from east of Ontario. In respect of that problem you say in paragraph 3.5 on page 14 that people born in Canada east of Ontario were over-represented among poor people in your sample. To me, "east of Ontario" means Quebec, which you have already mentioned, and the Maritimes which you have not mentioned specifically.

In an extensive work such as this have you any idea of the place of origin of the people who come from the Maritimes, for example? Just what part of the Maritimes do they come from and what information, if any, have you with respect to their background?

Mr. Arnold: We do have for individual cases the place of birth. We have quite specifically the place of birth and the names of the towns or cities in which the person had lived before coming to Hamilton. We also have, of course, material on the educational background and some material on employment history. We have that sort of information. The difficulty was that, granted the size of our sample, we really had too few cases to generalize very much from, and so we have not really tried in this report to bring out very much of the specific characteristics of the internal migrant group.

Senator McGrand: On page 19 you raise the question of problem children. We have heard much about problem children from poor families, children who go to school and find school an uncomfortable place to be because of their clothes and things of that sort and who thus drop out. Do you find that poor families have less confidence in their future and in the future of their children than those in the better-off classes?

Mr. Arnold: You can look at that from two different angles, Senator. In the case of their children they do have lower educational expectations. In our two bottom categories of income adequacy, which include all of the families with incomes more than 5 per cent below our poverty lines, the ordinary expectation for their children was that they would complete high school. Among families with incomes above that level, the ordinary expectation was that the children would probably go to university. So you do have a difference there.

In terms of their own futures, there was not a great deal of difference, I do not think, except for our very poor category. As you will recall, people of that category were ordinarily 25 per cent or more below our poverty lines. In that group, as we mentioned a moment ago, no one was taking any training to improve his occupational qualifications, and if you asked these people how much money they expected to be earning five years from now,

in most cases there was very little difference. On the other hand, if you asked people who were poor, but who were not as much as 25 per cent below the poverty lines, how much they expected to be earning five years from now, you got increases in the order of from 15 to 20 per cent. The same kind of increase applied to families in our sample above the poverty lines. I am not sure these were realist, c estimates of what was going to happen to their incomes over the next five years, but the point is that you got the same kind of results from families below and from families above the poverty lines, except for the very low group.

Dr. Jones: One question that was asked was how much education the people would like their children to get. Sixty per cent of the very poor said university training. As a matter of fact, that was higher than some of the groups who were nearer the poverty line. But when the same people were asked how much education they expected their children would get, they were very realistic. Only 17 per cent then said university training. The largest proportion thought their children would complete high school.

Senator McGrand: Following from that, my next question deals with the culture of poverty. In your book with the yellow cover you have a paragraph dealing with the culture of poverty. There is a question of cultural poverty and people being satisfied to stay in the level at which they find themselves, I find that hard to understand. I get the impression also that some people think the culture of poverty is something new in our society. But we know that the blacks in the southern states, where they have been poor for generations and grew up in a culture of poverty following slavery, have been moving into the north for the last couple of generations in order to escape poverty. We know that people from the Atlantic provinces in Canada have for generations been going to the United States and to the west of Canada in order to improve themselves. That is why I asked you the guestion concerning what data you had on these people who come to Hamilton. I had the impression they were trying to escape poverty. That is what I wanted to find out. We know that most of the revolutions have been caused by people who try to escape the poverty they have lived in.

The French Revolution, for example, and the Land League in Ireland in the 1880s. We know that the State of Georgia was or ginally settled by people who were in ja'l for debt in England and a philanthropist brought them out to settle there. So this question, arising as it does from poverty, I feel is something that we should have a thorough discussion on.

Dr. Pineo: Perhaps I could begin by saying that I felt that our research results gave a rich understanding of this problem. Essentially I think the simplest thing to say is that for the most part we did not find a culture of poverty. We found that the poor people were very recognizably what we understood were Canadians. They shared in common with others a very reasonable preoccupation with income and their concerns were with the kind of problems that develop when you try to live on a substandard income. So in the sense of a distinct set of values which makes them very different from ourselves, I

think the answer is no, we did not find this. I think this is what Dr. Jones was trying to get across when he said that there is still time to make these people part of our society.

It has been argued by some people that the poor areas of the cities are very warm, intimate, cohesive groupings of people helping each other. Here again, that is not the situation. This is the kind of romanticizing of poverty that one finds but again we found this not to be true. Again we found that low-income people live lives of intense isolation; they had few friends; they seldom saw relatives; they did not jo n voluntary associations. We tried to draw your attention to this isolation several times because it seemed to us to be sufficiently intense that some consideration should be given to it. And it was some of the reasons for this isolation that Mrs. Moore was trying to explain.

Senator Cook: Did you find that one of the reasons they didn't join was because they felt they would not be welcome?

Dr. Pineo: That is what we suspected, but it is not true, particularly among the unemployed. But we felt it was possibly a stigma from the outside world towards the unemployed.

The Chairman: But Hamilton is made up of a very large number of ethnic groups. Does this generally apply across those groups?

Dr. Pineo: I think I will ask Mr. Arnold to answer that, but my guess is that our survey was not large enough to come to a definite conclusion.

Mr. Arnold: I think the problem is one of sample-size alright. There was a not ceable difference, I think, between people of Italian origin and others. Those of Italian origin, below the poverty line, were relatively likely to be visiting relatively frequently with friends and relatives. But you still got a tendency for visiting to fall off.

The Chairman: I think Italians are the largest single ethnic group there.

Mr. Arnold: About 63 per cent of Hamilton is of British stock, about 11 per cent are Italian and other groups are smaller.

Dr. Pineo: We regard British as being ethnic.

Senator Carter: Continuing on that, Mr. Chairman, these people in your sample, how many of them were second generation on poverty and how many were first generation?

Mr. Arnold: Well, senator, the great difficulty is one of how to define your terms. We did our best to answer that question but the difficulty is that the people in our sample varied in age by more than 50 years, and on top of that, they grew up in widely separate places. If you are going to decide whether or not their parents were in poverty, you have to have different standards for different times and different places. Now that posed what seemed to us to be an impossible question of method.

Senator Carter: Well, then, let us narrow it down; let us substitute welfare for poverty.

Mr. Arnold: What we found was that people in our sample, above and below the poverty line, came from families that received welfare in about one quarter of the cases. It was interesting, although we had too few cases to make very much of a point on this, but among the families who were interviewed and who at the time of the study were relying on welfare, approximately onehalf came from families where public welfare had at some time or other been relied on. Now I do not quite know why we got the difference between our poor group and our non-poor group. I think the basic reason was simply that many of these people would still have been at home during the thirties when a large percentage of the people were forced to rely at one time or another on public assistance. That would explain the fact that there wasn't much difference between those who were below the poverty line and those in circumstances somewhat above the poverty line.

Senator Carter: We have found in some groups which might be referred to as those in cultural poverty that they do not accept middle-class values any longer and they do not accept the programs any longer because the programs are based on middle-class values. But you have never encountered anything like that?

Mr. Arnold: I would not say we never encountered anything like that, but I would say it is a distinctive minority reaction. By any of the criteria that one ordinarily uses for this kind of thing, there was only a small minority who strongly rejected what are thought of as conventional middle-class values.

Senator Cook: And they would be quite articulate?

Mr. Arnold: Not necessarily by any means. You have to remember that the average education of people in our sampling of poverty was in the order of grade 8, and while that does not necessarily imply a lack of articulateness, quite often that is the case.

Senator Fergusson: I would like to commend the Social Planning and Research Council of Hamilton for the tremendous amount of research they have done to produce and analyse this report. I think through this we have acquired a great deal of practical information. We get very much on the theoretical line, but not so much practical information, and while this is only on a small scale, it cannot help but be of very great use to us in making our report to have this actual report of investigations that took place, since we know what is actually the feeling of the people that were interviewed. Many of the things you found are quite contrary to the ideas held by many people in Canada concerning the poor.

I think it is too bad that you had so much trouble in getting financial assistance to do this work, and it is too bad that financial assistance is not available to do this kind of work on a much broader scale and in many more cases. Perhaps that is one of the things our committee can do to make people aware of the necessity for having actual information that comes from work such as you have done.

My question deals particularly with the attitude of people towards the poor. On page 6 you say:

While evidence from the United States seems to indicate that fraud is much more common in the area of income tax payment than in public assistance, many people tend to see recipients of public assistance as cheats.

My question relates to the evidence from the United States; I am not familiar with that. Could you tell us where you found it?

Mr. Amdur: In our brief submitted on March 12, beginning on page 27, we indicate as follows:

3.7 ... Studies of fraud in Canadian public assistance are not known to Social Planning and Research Council staff.

Let me add that since then we have found Jean Séguin's master's thesis from l'Université de Montreal. However, that was not a study determining the amount of fraud. It was a study of the people who were found to have been engaged in fraud. Continuing in our original brief:

In the United States, there have been a fair number...

That is a number of such studies:

especially as related to the Aid to Dependent Children program. An exhaustive investigation in Detroit, in 1948, resulted in a total of two warrants for fraud, neither of which resulted in conviction. A study by the California Department of Social Welfare in 1958-1959 uncovered a rate of fraud of 1.5%. Greenleigh Associates, in a study of Aid to Dependent Children in Chicago, reported in 1960, found fraud (defined to include undisclosed income and/or presence of "absent" fathers) at under 2%. A massive study of Aid to Dependent Children conducted by the U.S. Department of Health, Education and Welfare, reported in 1963, found apparent fraud to be minimal-under 2% in 34 states, with only 8 states having fraud of over 3% and with Delaware and Nevada having the highest rates-7.4%.

Then following on page 28 we get into the information on income tax:

A former U.S. Commissioner estimates that 8% of tax returns in 1957 underreported gross income.

Then there are references to the U.S. Congress, House Committee on Ways and Means, Tax Revision Compendium, U.S. Government Printing Office, 1959 volume II.

Another expert contends that in 1955 the most generous estimate is that in returns from business and professional proprietors only 81% of income was reported, and only 56% of farm income. Still another indicates a fairly constant rate of underreporting of dividends (close to 14%) from 1936 through 1957.

I can go on with further information from that.

The Chairman: Yes, but even with these studies there are two that have been made recently, one by New York City less than a year ago and one by the United States

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Government less than a year and a half ago. My recollection is that in both of these instances it was less than one per cent. Your references are a little dated.

Mr. Amdur: I do not know about the New York study. The largest study ever conducted was the one I referred to carried out by the United States Department of Health, Education and Welfare, where over 2 per cent of the United States cases, 21,085, were included in the investigation on the basis of random sampling.

The Chairman: What was the result there, 2 per cent?

Mr. Amdur: Yes, in most of the states.

The Chairman: What year is that?

Mr. Amdur: Nineteen sixty-three.

The Chairman: No, this was made less than one year ago.

Mr. Amdur: These generally arrive at the same figure, around 2 per cent or less.

The Chairman: There was also a study made in Calgary by Professor Peitchinis.

Mr. Amdur: I refer also to that here. That is not really a fraud, but it is cited on page 27 of the same document.

Senator Fergusson: Thank you very much. My next question relates to section 3.17 on page 18, where you refer to:

Wives and families below the poverty line are less likely to work than wives in families above the poverty line.

Do you think they would be more likely to work if we had subsidized day care facilities? Would this be an advantage in Canada, in your opinion?

Mr. Arnold: There are two or three different ways in which that question could be answered. The first important point is that the wives of the working poor are almost as likely to work as the wives of people above the poverty line. It seems to me that the difference between the poor and the non-poor is simple, that in many categories among the poor there are perfectly good reasons why women do not work, that is females over 65. The odds are that male or female they will be working.

Until very recently if a family was receiving general welfare assistance in the Province of Ontario tax applied on 100 per cent of earnings. For people receiving family benefits the amount that can be earned is still limited. The major deterrents in these cases are simply that there is relatively little economic advantage to working.

While day care centres would partially deal with this problem in that they might make it more convenient psychologically to work, they would not really overcome the fact that there is very little economic advantage.

In the case of families who are not caught in that sort of bind, the working poor let us say, I, would not be surprised if the availability of day care centres on a broader basis with more adequate subsidization might in fact make a difference.

I do not really think I would wish to comment in any great detail on just what sort of facilities are desirable. I should say though that we are just at the stage of concluding a study in Hamilton on the need and/or demand for expanded day care facilities. We have four chapters written out of five. When that is completed I think we would be able to say something probably quite meaningful with respect to the desire and need for day care centres for low income families.

Senator Fergusson: When that is issued will it be available to purchasers?

Mr. Arnold: It certainly will.

Senator Fergusson: Those are all my questions. I would like to say that I congratulate Mrs. Moore on the work that she apparently has been doing, according to Dr. Pineo, with your group. I also congratulate her for coming here with the other representatives. We are glad to have her.

Senator Inman: I would like to endorse the previous remarks with regard to the excellent program of research that has been brought before us. I agree with Senator Fergusson that it would be a wonderful thing if we could have such programs in more of the larger cities.

With respect to the statement in paragraph 6 on page 3, do you consider that there are many times when it is necessary to look after paying rent and handling money given to welfare recipients? The reason I ask is that I was chairman of the mothers' allowance commission in my province for seven years, and I also came in contact with the underprivileged in other organizations in which I worked. We had many cases in which we had to have somebody to administer the money. What is your thought about this? Do you find many such cases? I am not now speaking of people who perhaps do not know about money, who are perhaps not competent mentally to handle money, but people who get money and perhaps do not use it very judiciously.

Mr. Amdur: My judgment of this—which is not based on Hamilton but on the professional experience I have had—would indicate to me that there is a small percentage of those on public assistance who do require some kind of protected payments to third parties, but the overwhelming majority are doing a marvellous job with the extremely little that they get. Of course, you have heard about all the problems.

Senator Inman: Certainly.

Dr. Jones: Perhaps I could offer an opinion here as well. I think part of the problem has been that people adopt a protective attitude towards the poor and assume that they cannot look after their money, whereas part of their problem might be that they do not have enough money. Sometimes a better approach is to have them to control their own expenditures but provide some advice. I know that in Hamilton the family agency there provides that counselling. The interesting thing is that you get a range of incomes; it is not only the poor who do not know how to handle their money, but others could benefit from such counselling.

**Senator Inman:** I was aware of that. People in the higher income brackets can squander money and still be able to eat.

Dr. Jones: Sure, they have got a little more to play with.

Senator Inman: On page 7, you deal with housing. Why are private developers not able to create low income housing for the underprivileged?

Mr. Amdur: In the original presentation that we made, on page 49 of the volume for March 12, 1970, there is one paragraph calculating that a family of four requires 800 square feet at the very minimum; multiplying it by \$13 per square foot for construction, and adding \$1,000 per unit for land, the costs come to \$11,400 interest at 10 per cent is \$1,140, and taxes are about \$280; interest plus taxes are \$1,420 per year; rent of \$95 per month brings in \$1,140 per year, the amount of the interest only.

On page 44 of that same document you find paragraph 3.52:

At a meeting of a Social Planning and Research Council committee in 1966, a committee member in construction said that his company "had abandoned low-income housing schemes, because they are unable to place a house, e.g. a three bedroom bungalow, in a good area, on the market under \$22,000". The problems are the high cost of servicing the land and the mortgage market. "He sees subsidized housing as the only answer to the problems of the low-income groups".

In fact, it was noted at that meeting that Hamilton has more public housing per capita than any other city in Canada.

Senator Inman: I am thinking of something like Senator McGrand spoke about. In St. John they did some renovating of older houses and rented them to the underprivileged at very low rents. They were big old houses, but they made them up, and it took less money.

Mr. Amdur: You are talking about renovation now.

**Senator Inman:** I am talking about the renovation of large older houses which are made into small apartments.

Mr. Amdur: Dr. Jones said he understood this was privately done.

Dr. Jones: No, I was asking whether it was.

Mr. Amdur: Was it privately done?

Senator Inman: It was done by the city.

Mr. Amdur: The question you raised was one of private developers, as I recall.

Senator Inman: Yes, I am speaking of that.

**Dr. Pineo:** Certainly the City of Hamilton has experimented with similar activities and been quite aggressive in its urban renewal. There has been rehabilitation, but I understand it is distressingly expensive.

Senator Fergusson: It was very expensive?

**Dr. Pineo:** The initial attempt was, as I understand it. They are considering it again, however, under the new kind of attitude towards urban renewal which seems to be developing.

Senator Quart: So many wonderful questions have been asked that I have almost run out of those I wanted to put. My questions will be very brief.

First and foremost, I was very interested to hear the remark by one of the panel that the wives were more ambitious than the men. That brought to my mind something, which some senators may remember, that one of the American congressmen said, quoting Napoleon—whether Napoleon said it or not I do not know—that every successful man owes his success to his wife and mother who chased him out of the house. Probably that is along the same lines.

I was very interested in what Mrs. Moore said about the welfare officer, or whoever it was, who suggested that she should accept mother's allowance rather than go out to work, because of her son, that it was necessary. That is certainly a theory of mine, that in a child's formative years the mother's presence at home is absolutely necessary whenever possible. This is probably a personal question, Mrs. Moore, and you do not have to answer it if you do not want to. Supposing you could have gone out to work, would you have been able to earn more than you were getting from the mother's allowance?

Mrs. Moore: I was getting more when I was working.

Senator Quart: You did?

Mrs. Moore: Yes. On the other hand, I couldn't afford to have someone stay with my son and pay them while I worked.

Senator Quart: I think it will pay dividends in the long run.

Mrs. Moore: I am sure it will. I can see the difference already.

Senator Quart: I have one other question, which is not on anything in the brief; it is just what I am thinking of myself. When you went around to the agencies, social welfare or whatever agency it was, were you very well treated by the social workers?

Mrs. Moore: Yes, I was. I have no complaints whatsoever, except for the fact that I was given a run-around. I went to about four different places before I found where I should have been in the first place. Other than that I was treated very well.

Senator Quart: This brings us back to having a coordinating council of some kind where a poor person can go in order not to get the run-around, because they get yery discouraged, I am sure.

Mrs. Moore: This is true.

Senator Quart: Then half of them just say, "We aren't going to bother".

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Mrs. Moore: I was determined; they couldn't discourage me.

Senator Quart: You look a very determined person, and I am glad you did not get discouraged; I am glad you did get to where you succeeded, anyway to some degree.

Dr. Jones: Could I say something about that too, senator?

Senator Quart: Surely.

Dr. Jones: I think that in a way in Hamilton some steps have been taken to correct that sort of situation. Under the leadership of the Social Planning and Research Council a central information service has been established; a director has just been appointed. That will operate to provide information services to anyone who wants it. This is seen as the initial step in providing neighbourhood services, where you try to put services in parts of the community where people want it and can help plan it themselves. So it will not be a matter of going around, because eventually you will have neighbourhood services right in the neighbourhood where people can find them and know where they are and the chances of a run-around would be reduced a lot.

Senator Quart: You mentioned neighbourhood services. Would they be volunteer groups or set up under the cities municipally?

Mr. Jones: As it is conceived, it would involve voluntary participation, in part, but also professional staffing in different areas, depending on the area and what the existing agencies may supply.

Senator Quart: They are volunteers.

Mr. Jones: There is the case worker or some other kind of professional person, but also a lot of manning by volunteers. The people may be just in need of some help in doing things. For instance, in the case of the aged, it may be just the filling out of forms with which they are not familiar and where there is need for some help. That is part of the service.

Senator Quart: I think this is an excellent idea, in cases where there was confusion previously in different volunteers going in and they do not always have the same background.

There is a further thing I wish to say and I know I may be very wrong in this, but I wish to say it, anyway. Taking the instance of the Central Mortage and Housing Corporation, on which Senator Inman asked a question about private developers not able to create low income housing. In cases where private developers, contractors and others, come to the CMHC and borrow a certain amount—I do not know the percentage they have to guarantee—I have heard at one of these meetings of CMHC some talk between some of the developers who said that as long as they get this percentage from CMHC to put up a high-rise apartment, and as long as they rent half the apartment, they do not care. In other words, it does not matter as long as they rent half. The rents are

high enough to mean that if they can rent half the apartments they are perfectly satisfied. Therefore, they do not think some of these, especially in areas where some of these families, poorer families, could come in, that these contractors, proprietors and contractors, who are using CMHC's funds should be compelled to rent these apartments at a lower rate or something, where there is a real crying need for apartments for the poorer people. I know that I am not going to be very popular in suggesting that.

The Chairman: I think it is very popular, but the suggestion is very impractical.

Senator Quart: It may be practicable but what sort of teeth could be put in some sort of legislation or municipal laws whereby these people eventually will own those buildings, or else keep the rents lower. Believe me, the rents are very high all over and the proprietors do not care, as long as they can rent half the apartments. Another contractor or the same contractor will go and borrow more for another area from CMHC and again half the apartments are not rented and he could not care less. However, I have taken up too much time on this.

Senator Carter: In your survey of the samples, did you find these people very mobile? Did they stay in one place for any significant length of time or were they moving around?

Mr. Pineo: They were moving around so fast that we had trouble catching them. I think Mr. Arnold had many difficulties to contend with.

Mr. Arnold: The difficulty we had was that some people were moving so fast that we could not catch them to interview them. It is interesting that when we found people at home we had a relatively low rate of refusal and we were unusually successful in finding people at home after a small number of calls, partly because there was a relatively low number of working wives. We lost an unusually high proportion of families because they changed their addresses and could not be followed up.

The assessment rolls on which we based our sample were closed and theoretically up to date, on the average about six months before the interviewers arrived. But, in spite of that short period of time, something like 20 per cent of the families had moved.

Ordinarily, one might have expected 10 per cent to move over a six month period, but certainly not 20 per cent. So certainly what this survey shows is that there is this tendency for people in poverty to move around, than there is in others. I do not think we can give the precise figures for other people.

The Chairman: Were they moving out of town with the possibility of obtaining a job, or were they moving to friends, or were they moving within the city, for a lower rent?

Mr. Arnold: We did not find them, so we do not know.

The Chairman: You must have found some.

Mr. Arnold: Many people we did find and interviewed, most were relatively stable. That is, over the preceding five years, something of the order of one-third of them had changed addresses and that is actually lower than for the Canadian population at large. People whom we found were not very different from others. I think probably the only distinction to be made is that people who move a lot in the normal way are getting the very worst of the housing market. I think this is based on subjective sorts of criteria, that our interviewers tended to suggest that in the places where they went and found that the person was no longer living there, it tended to be in fairly bad shape. My guess is that on that basis that most of these people were simply moving around inside the

Mr. Amdur: In our original brief of March 12, there is a case study on pages 58 and 59, problems of house hunting in Hamilton. The family cited there might very well be the kind of family we are talking about, trying to move from place to place, trying to find a better house, trying to find a new landlord whose standards of upkeep are different. They are having a good place torn out from under them and having to find another. I think that this might be—and I say "might" because we are speculating here—the kind of family that is doing a lot of moving around.

Senator Inman: Does Hamilton have any municipal law regarding landlords and rents?

Mr. Amdur: There is a minimum standards by-law but, as indicated in our first volume, the rigid enforcement of the regulations would lead to large numbers of people being put out of homes. So they do not dare enforce it rigidly, aside from the cost of salaries and so on to do the job properly.

Senator Carter: I wish we had more research on that. I would like to know more about why these people move, were they evicted. It must have an unsettling effect on the family and cause extra expense as well.

I would like to clear up one point on page 3, the first sentence, where you say that all of the public assistance in Ontario should be provided through a single provincial department. Do you mean that public assistance from federal sources should be channeled through the province, too?

Mr. Amdur: This was referring to an interim situation, to improve the situation that exists now, where there is a variety of municipal welfare programs plus the provincial programs. People begin on the municipal and some of these after a while are transferred to the provincial. Our thought was that this was an inappropriate kind of procedure, that it would be a lot less confusing for people. It would be less of a paper castle kind of situation if this were all done through one agency, because there would be only one place the people would go to to receive public assistance. As is indicated in our third volume, we come out in favour of a guaranteed annual income, and, eventually, one would think this would be something that would replace it.

Senator Carter: That is what I am getting at. You are not advocating that a guaranteed annual income would be administered through the provinces, or would be channeled through the provinces.

Mr. Amdur: No.

Senator Carter: That is what was bothering me. Now, talking once again about guaranteed annual income, you made an estimate that it would cost \$3.5 billion. Can you tell us how you arrived at that figure? What was the basis for it?

Mr. Arnold: Yes. There was a set of calculations prepared and reported in the June 1970 issue of Public Welfare. The calculations were done by Mr. White of the Canadian Welfare Council. The calculations were drawn up on this basis: estimates of income by family size for Canada for 1968 were available; the 1961 poverty lines drawn up originally by the Dominion Bureau of Statistics and adopted by the Economic Council were up-dated in terms of the consumer price index. What was done was simply that the difference between family incomes and poverty lines was worked out and the result of this was that a figure of \$2½ billion was set. Our own set of poverty lines is somewhat higher than the set of poverty lines used for this, and so we had to make an adjustment. As it turns out I must confess that the figure of \$3.5 billion is a little high. It should have been \$3\frac{1}{4} billion. We could have got out a sheet of errata indicating that that was the case, but the difference between their figures and ours was simply the difference between poverty lines.

This is the figure, you will note, of the net amount of income that will have to be transferred to bring people out of poverty. If you want this figured amount you would have to raise taxation to achieve that. You probably would get something quite higher.

Senator Carter: That estimate would be as of today?

Mr. Arnold: As of 1968.

Senator Carter: So you would have to add another 8 per cent on now.

Mr. Arnold: I am not sure that that would be the case. I am not sure how the trade-off between increased unemployment and over-all slightly higher living standards would affect that figure.

Senator Carter: But, if you projected on for ten years at the normal rate of inflation of 3 per cent, then you would have to increase that \$3\frac{1}{4}\$ billion by about 30 percent.

Mr. Arnold: You might have to. But on the other hand I think the increase would be lower than that because I think a significant number of the working poor stand a good chance of being brought out of poverty by normal process of economic growth so that you would be dealing with a smaller number of people.

Dr. Jones: There is also the likelihood that family size would decline somewhat.

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Dr. Pineo: We deal with this point specifically in the seventh chapter of volume II, where Mr. Arnold has addressed himself to how much poverty would disappear spontaneously over the next ten years, presuming a certain amount of growth. Really what we concluded was that growth alone would do very little, but growth with continued government involvement in making sure that the lower segments get their fair share, or preferably more than their present share of the growth, would result in considerable improvement for the working poor.

The Chairman: In coming up with their figure, the Canadian Chamber of Commerce had Professor Thor. Did you see his work? His figure was \$1.8. Can you reconcile those two figures for a moment?

 $Mr.\ Arnold:$  His figure was based on the 1961 poverty line, as I recall it.

The Chairman: I thought he used the Economic Council's figure. You are above the Economic Council.

Mr. Arnold: Yes.

The Chairman: The Economic Council updated the figure, as I recall.

Mr. Arnold: I think our memories differ on that, then.

The Chairman: It would not have been sensible or very convincing for him to bring in the 1961 figure to the Chamber of Commerce without updating it. You know that somebody on the Chamber of Commerce would have been smart enough to catch that one.

Mr. Arnold: I think, as I recall it, that it was a matter of making the kind of simplifying assumptions one often makes in economic reporting. It would show, for example, what it looked like in 1961 because that was the way the data was set up.

Senator Carter: Mr. Chairman, I gather from the brief and what the witnesses have said that they are all in favour of a guaranteed annual income but that they cannot make up their minds how it should be achieved, whether by a negative income tax or by a demogrant. Does not the cost itself make it inevitable that you would have to choose the negative income tax, because you would not recover the demogrant payments made to the people who do not need them?

Dr. Pineo: I am a negative income tax man myself. Mr. Amdur is a demogrant man. We disagree pretty thoroughly. One thing the committee did agree on was that we did not feel ourselves competent to work out some of the administrative costs of some of the alternate procedures. We did feel that would constitute an important weight of evidence in our making up our minds which was the preferable system. We were well and truly divided.

Senator Carter: I should like to hear the defense for the other side, if they have one.

Mr. Amdur: I think the solution, essentially, would be to tax incomes at a much higher rate, to tax back the demogrant from those who do not require it.

Senator Carter: How would you do that? And how would you ever get it all back?

Mr. Amdur: Through withholding taxes, in the same way we get income tax now through withholding it at the source.

The Chairman: You withhold it, but how much are you going to withhold?

Mr. Amdur: Most of it.

The Chairman: Oh, no, you are not.

Mr. Amdur: For the people who are earning large amounts and do not require it, most of their salary, or large amounts of their salary, would be withheld and they would get a small cheque in addition to the demogrant.

The Chairman: Have you any idea what sort of administrative problem you are getting into? We got into that on the Canada Pension Plan. Perhaps you remember that when we withheld money on that we were accused of holding back about \$4 million, in situations where executives who move from place to place could not be followed by us very easily. Brother! Are you asking for trouble!

Senator Carter: On page 26 of volume III there is a comparison between Canada and France as to the amounts or percentages of GNP that were paid out in family allowances in 1965. The percentage for France was 4.1 per cent compared to Canada's percentage of 1.1 per cent. Should you not, if you are going to make a proper comparison, also set out a column of the total assistance so that we would know how it was distributed between family allowances and other forms?

The Chairman: All he is saying here, Senator Carter, is that in family allowances this is the figure. I looked at it, too, but he is not saying what other things are available. Of course he did not attempt to do that there. He merely touched upon family allowances.

Senator Carter: But what is the point of showing a comparison like that when perhaps the discrepancy is made up in other ways? I cannot see the significance of that. What are you trying to prove there?

The Chairman: That is why you are on the committee. You understand all these things.

Mr. Amdur: I was the one who did this calculation. I had a couple of things in mind. One of them was that in this particular section we come up with the recommendation that a variety of techniques be used, one of which would be the guaranteed annual income. A variety of other kinds of policies could also be adopted. One was, to give an example, that one might increase family allowances which would not be unreasonable when compared with other countries. France was one that I had some figures on that I could use. The question you raise about putting in the other kinds of transfer payments is a fair one. The problem is that the programs differ so very widely from place to place that it would require a very extensive kind of discussion because social security sys-

tems are not by any means uniform throughout the world.

Senator Carter: I would like to couple that with the other statement you make on page 25 where you say that public assistance is a major source of poverty, and you say that because it is so low and uneven, which is probably true. But when you consider that all these payments on different levels total up to around \$6 or \$7 billion, it is a significant part of the GNP. How can you say then, when we are paying out these tremendous sums of money in different forms of assistance, that we are still contributing to poverty? Are you merely saying that it is not being administered efficiently?

Mr. Amdur: I guess perhaps what is being dealt with is a logical kind of contention. If you have a group whose income depends on governmental payment, and this income is at a poverty level, then indeed they are being maintained in poverty.

Senator Carter: But you are not saying we are maintaining them in it, you are saying we are contributing to it. Do you mean we are making the problem worse?

**Mr.** Amdur: If people are being maintained in poverty, that is contributing to their poverty. Perhaps this is a terminological kind of issue.

Senator Pearson: I want to continue somewhat on that line. Do you think that it is possible that some of the statistical departments could give us a total of all welfare payments in Canada from one province to the others and then taking that gross total and comparing it with the guaranteed annual income and see if you are too far out. If you were able to wipe out all the other payments and then compare to the guaranteed annual income, the comparison should be very favourable, I think.

Mr. Amdur: Our estimate is that you would have to find another \$3\frac{1}{4}\$ billion per annum to close the gap.

Senator Pearson: Over and above all others?

Mr. Amdur: Yes.

The Chairman: If you took the poverty line as defined by the Economic Council and then applied it immediately to everybody, the figure would run to about \$3 billion.

Mr. Amdur: That would be about  $\$2\frac{1}{2}$  billion. Ours would be about  $\$3\frac{1}{4}$  billion.

Senator Fergusson: Would that be the poverty line as adjusted or what?

The Chairman: That would be as adjusted. Their is adjusted as it came to us. They have a higher one.

Senator Pearson: Can we dispose of the other welfare programs and go on the guaranteed annual income alone plus our working poor.

**Dr. Jones:** I think the answer is no. I think in some instances money transfers might be discontinued with the introduction of a guaranteed annual income. If you took the statistics for welfare and what is expended on welfare

in Canada and then if you look at the services provided, you will find that some of them will not disappear. For example, the need for counselling will continue because it is not in any way related to income. People at all levels of income need counselling. I think it would be misleading to think in those terms. I think certain transfer payments might be discontinued, however, such as family allowances.

The Chairman: The Canadian Chamber of Commerce presented a figure on total cost of all welfare services, federal, provincial and municipal when they were before us, and they were not far out.

Senator Pearson: I was interested in Mrs. Moore's statement that television is a necessity for a poor family. What is there in Hamilton in the way of community recreation for wintertime and also for the summertime in the way of parks and playgrounds for children? Is there something for middle-aged people as well and for older people?

Mrs. Moore: There are skating rinks in winter and swimming pools in summer.

Senator Pearson: But these are not free?

Mrs. Moore: No, they are not. They also have drop-in centres at the school once a month—that is the school my son goes to. Other than that there is really very little unless you have the money to put into things that youngsters like to do such as bowling.

Senator Pearson: Do you think that if you had a full range of entertainment for the people of the north-end of Hamilton, you might overcome some of this withdrawal that the poor people there display, particularly if they were brought into community affairs through recreation centres and things like that?

Mr. Amdur: Mrs. Moore does not live in the northend, but in the north-end there are some programs, in fact a fair number of programs. There is a recreation centre which, as I recall, has most of its programs free. But here you have a very high concentration of these people There is also a committee of agency people and residents of the north-end who are looking at the question of what the available resources are and what they feel is needed and are trying to come up with ways of dealing with this. Because of the great amount of poverty in that part of the city and the large amount of the city's poverty that is found there, one of our recommendations which appears on page 1 of volume III is that public and voluntary agencies should give careful consideration to the report of the committee of citizens and agency people currently examining the needs and resources of Hamilton's north-end. This is something that is being looked at.

Senator Pearson: This is one of the problems in cities. Where can old people go? They just walk around with nothing to do. They gradually withdraw into themselves and lose contact with the rest of the people.

Mr. Amdur: There are a number of programs for older people in Hamilton. The Social Planning and Research

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Council publishes a guide to services for older people which is distributed free on request, and is distributed through City Hall, through seniors' clubs, public health nurses. et cetera.

Senator Cook: Most of my questions have already been answered, but I want to join with my colleagues in saying how thankful I am for this study and for the remarkable work done by the Hamilton group. This committee has already discovered that there is great concern throughout Canada at all levels with respect to our problem.

At page 23, paragraph 4.10, referring to the guaranteed annual income, you say:

Nevertheless, we do recommend adoption of a GAI, at a lower level.

I gather you would make this universal.

• Dr. Pineo: It would be available universally certainly in the sense that it would be available to all. We are not in agreement as to whether it should be distributed automatically or on a selective basis.

**Senator Cook:** Are you in agreement that it should be equal in all areas?

The Chairman: Make yourself clear to the senator as to what you are recommending; you are confusing the negative and the demographic.

**Dr. Pineo:** We are recommending that there be a guaranteed income. We recognize that it would have to be phased in over a 10-year period. We do not make any explicit recommendations as to how it should be allocated.

I do not remember discussing concretely in the committee whether the payments should be different for different parts of the country. We were struck in the committee with the fact that there were an appreciable number of migrants from other provinces in our samples. We think this was prophetic of the nature of the shifts of population which might be encouraged or discouraged depending on the decision made in this respect.

Senator Cook: Without commenting which is the better or wiser, your poverty line is higher than that adopted by the Economic Council and again it could perhaps be extremely high for some rural areas of the country.

Dr. Pineo: Yes.

Senator Cook: I am completely in accord with your recommendation. However, one of the problems would be which poverty line to accept where.

Dr. Pineo: Yes. We really ought to have spent more time discussing this. We talked about it briefly among ourselves last night and felt that a country-wide policy, a common line for the whole country, was a desirable resture.

**Senator Cook:** It is certainly desirable from the minister's point of view.

**Dr. Pineo:** Considering it from the other way around, a guaranteed annual income designed one way or another can actually be an inducement to accelerate or decelerate the movement of population from high to low expense areas. Ultimately it is the economic and, I suppose, political consequences that must enter into the decision.

Senator Carter: There are two possibilities, from poor to rich provinces and from rural to urban areas. Would you distinguish and have four categories, or three? Did you give any consideration to that?

**Dr. Pineo:** Less consideration than we should have given. Again ours is a study of Hamilton and we had a pre-occupation with the urban population. We did not have too much discussion as to how farmers and others would be handled.

Senator Cook: I have a minor point with respect to page 3, paragraph 6, where you refer to control of client expenditure. Assuming that we had a guaranteed annual income with universal application, could you give us the benefit of your thinking as to how the cases of heads of families and others who are, to use a broad expression, incapable of handling their money, alcoholics, imbeciles, and so on, would be treated. Would they just receive it as a matter of right?

Mr. Amdur: I would think that in this case, just as now under public welfare, those persons who are just incapable would have to have someone else handle the money for them.

As a matter of fact, we have such arrangements under the law now for people other than those on welfare. I think we could adjust policies of this nature without too much problem.

Senator Cook: In paragraph 10 on page 3, you say: The Federal Government should cease using housing as an economic regulator.

Would you amplify that paragraph?

Dr. Pineo: We have the impression that the method of influencing business cycles to change and influence interest rates first and foremost has consequences on the construction industry, causing booms and recessions in building which are independent of the true needs of bousing.

In particular, when considering the near future with a very large number of young people now marrying who will very shortly need housing, it is a decision whether to accelerate or decelerate the construction industry based on the economic business problem and not on needs.

We are simply saying we cannot believe that there is not an alternative method of regulating the economy, that the construction industry has been used as a regulator for too long. It needs respite.

Senator Cook: Of course, that is a very difficult question to solve.

Dr. Pineo: Yes.

Senator Cook: Further with regard to the same point, have you any thoughts as to how much time passes before each individual unit of this public housing becomes obsolete and should be replaced?

Mr. Amdur: It is hard to express a period of time in which housing is to become obsolete. It really depends upon how solid it was in construction originally. It involves questions of maintenance.

My mother-in-law while she was alive during her retirement decided to go to the University of Edinborough. She stayed in a 300 year old house. It was in perfectly good shape. I think the question of obsolescence depends on how much money is put into upkeep and the arrangements that are made.

I really cannot answer your question in any more detail than that.

The Chairman: Senator Cook, when some of us first came down here many years ago there was temporary buildings for use by the Government. You can walk over there today and still see them.

Senator Cook: We all agree they should be taken away though.

**Senator Connolly:** In tribute to the group appearing this morning I would like to say that this is by far the best presentation I have seen of all the briefs that have been presented to this committee.

The Chairman: You took the words out of my mouth.

Senator Connolly: It is natural that this committee ask questions that this group should not have to answer, but for which we ourselves should find the answers. I am sure that the members of this group understand that.

At page 14, paragraph 3.5, there appears this sentence: Immigrants were in about the same ratio to the poor population as to the total population, but fewer of them received public assistance and more were employed.

I believe that to be a very significant point. Exactly the same situation applies to the city in which I live.

The Chairman: He lives in Halifax.

**Senator Connolly:** I suspect it applies to many more cities throughout the country. Were you able to discover the reason for that?

Mr. Arnold: I think the data we have does not deal directly with one part of the problem, but it does deal with the other part of the problem. The part it does deal with is why they are in poverty in spite of the fact that relatively few of them are receiving public assistance. This seems to reflect a variety of things, one being that because of language difficulties, or lack of Canadian expeirence, a great many immigrants start off in this country working at jobs below their level of qualification in their native country.

Another thing that is problematic, of course, is that sometimes they find it very difficult to get their qualifications translated into any reasonable Canadian equivalent; either they are over-qualified or they are underqualified. I wish we were able to come up with some kind of a guess as to how many cases were those of language difficulties, how many of just lack of experience, how many where qualifications could not be translated. Our sample is too small for this.

The other side of the problem, which is why so few of them were receiving public assistance, we could not answer directly from our data, but I think the most plausible explanation is simply that in a great many cases, in order to get into the country they have to demonstrate that they are able to support themselves or that they have someone else who could take care of that problem for them.

Senator Connolly: Might it also be that they were taking jobs that Canadian citizens would not take, at rates of pay that Canadian citizens would not accept?

Mr. Arnold: I certainly think that would be true in a number of cases, yes.

Senator Quart: Lower salaries maybe?

Mr. Arnold: Yes.

Senator Connoily: Those are all my questions.

The Chairman: Senator Connolly, would you mind taking a few more minutes on that, because you left me with a feeling that we had not exhausted the subject. You suggested that possibly they would take jobs that Canadians would not take, and Mr. Arnold agreed that was a possibility. He said, if I understood him, that many of these people were paid low wages because they felt they lacked the language or equivalent qualifications, or something or other. Did it get to the point where a native Canadian said, "No, I won't take this job", and an immigrant said, "Yes, I will take this job"? Is that what you are saying?

Mr. Arnold: It is conceivable that you would get that, but I do not think we have any evidence how frequent it is. What is more likely to be the case is that there are some kinds of occupations that are either very seasonal, such as construction, or relatively low paying, such as many jobs in hospitals, where the personnel department has relied for a long time on immigrants. Recent immigrants know that these are places that jobs can be gotten, and there is a tendency for immigrants to go there to look for jobs as a sort of first choice, if they realize that for one reason or another they cannot get work in their own field.

Senator Carter: Would you say there is a greater tendency among these immigrants to find jobs for one another?

Mr. Arnold: I certainly think there is that, yes. I wish we knew more about immigration and the job market. Our sample is just too small for us to say a great deal about it. I think there are probably a great many interesting aspects of it.

Dr. Jones: Since the immigrants do not get public assistance, often because they are fearful of deportation,

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do you think that cuts off an option when they are faced with low wage paying jobs?

The Chairman: No, that is not so any more. When they land in this country they can obtain family allowance and public assistance. Maybe he does not apply because he is afraid, but the law provides for it. He is afraid of it.

**Dr. Jones:** Sure, he is afraid of it. It is an option that is cut off. He would take that attitude, whereas a Canadian would not.

Senator Connolly: I am also afraid that he has a pride that many of our Canadian people are losing where welfare is concerned. We hear a great deal about the stigma of welfare, as if we applied it to welfare recipients. I question that very much, because my close observation of the situation on my own city is that a great many of the people who receive welfare do not regard it as a stigma, they regard it as a right, and they think they have an absolute right to it. I stood outside a Halifax welfare centre one day for an hour and 40 minutes and watched private cars and taxicabs being driven to the offices and parked outside. The occupants were persons receiving social welfare cheques. To me it did not add up to good sense. Perhaps I am archaic in my thinking. Surely if people could hire taxicabs to pick up their welfare cheques or drive their own cars down to pick up their welfare cheques they were not being stigmatized. Somehow or other the terms gripes me, particularly this application and whence it comes.

The Chairman: Of course, welfare is a right under the law.

Senator Connolly: It is a question of how one defines "right".

The Chairman: The Canada Assistance Plan defines it in the simplest terms. It uses the term "need" and actually defines what that need is, without broadening it.

Senator Connolly: But it does not define pride and dignity.

The Chairman: Oh, no.

Dr. Jones: I think, senators, you are aware that the question of there being a stigma arises not so much because people are explictly saying this, but perhaps in subtle ways. What we do as a middle class community is to reward neatness and cleanliness; we emphasize the idea of people being responsible for their own achievements and so on. In school, for instance, or in private life, these are very subtle comments on a person who for some reason or another is not succeeding, is not achieving, and cannot afford the kind of clothing that meets those standards. There are subtle comments in that way. This is where I think the stigmatization comes in. Sometimes it is summed up in the phrase "Being on welfare". If you say you are on welfare, it is really saying that somehow you have not got the kind of qualities to enable you to achieve and function as most other members of society do. I think this is it.

Senator Connolly: You think this is the way of describing it?

Mr. Amdur: I should like to make a couple of comments and give some examples of the way in which people on welfare are stigmatized. For one thing, there are the kinds of interviewing facilities available, where in many cases people applying have to go and explain their problems, with very little privacy.

Senator Connolly: That is right.

Mr. Amdur: There is the fact that many communities make it a practice to go and take away licence plates from the cars of people receiving public assistance.

In the original presentation we made we quote from the Globe and Mail, reporting that a woman attending the P.C. Party Conference in Niagara Falls:

...was prepared to see the party endorse an expansion of the welfare system but only if those who were solely recipients were deprived of the vote.

They reported the statement of the chairman of the Guelph Housing Authority, responding to criticism of admission and eviction policies from tenants' organizations, in which he said:

...the committee was composed ... of one member on welfare, "two members who have paid no rent since July 14," and one member on eviction notice who is behind in rent payments.

There is the comment by Mr. Gaglardi, the Minister of Social Welfare for British Columbia:

We'll probably give them enough for food to keep them alive, but it's clear that we need some kind of incentive to get these type of people back to work.

Senator Connolly: These are the extremist views and they do not prove anything except how unchristian people can be.

The Chairman: He is actually practising it in British Columbia, he is doing just that.

Senator Quart: May I just say that I happened to be at that meeting at Niagara Falls, and I can assure you that laughter followed that statement; she was quite young.

Senator Fournier: Young and ambitious.

Senator Quart: I would like to use another word.

Senator Fournier: I have very little to add, except that I agree with what Senator Connolly said. We could enlarge on that for hours and hours.

It was quoted some months ago that I said that welfare was "the curse of the country". I think it might have been some weekness in our language. I meant to say the abuse of welfare was the curse of the country. I hope it is going to be corrected this time. I really referred to the abuses. It should be that "the abuses of welfare was the curse of the country", not the welfare by itself.

It could mention a number of stories here of the abuses—taxi drivers and people on welfare buying new

cars, people on welfare buying ski-doos, an amount of welfare money spent on liquors. Of these I have facts. When I said the abuses of welfare is the curse of the country, I mean it. I meant to say the abuses.

Senator Connolly: It is like the abuses of charge cards.

Senator Fournier: Do you find that in the Hamilton area the poor are in pockets—I do not like the words "slum areas". Are they grouped together?

Mr. Jones: We find poor in all the main zones of the city but we found a concentration particularly in the north end.

Senator Fournier: Here is a question more for curiosity. You are very close to the automobile industries. Do they require a Grade 12 on production lines?

The Chairman: I don't think so.

Senator Fournier: Where you repeated the job minutes after minutes. What is required if you wanted to work for General Motors?

The Chairman: A strong back.

Senator Fournier: There is something more than that. They ask about age and education.

The Chairman: That one I know. I do not know whether they raised these requirements of reading and writing very much. I think it is just a matter of one who wants to work and it is pretty hard sort of work and very boring.

Mrs. Moore: At the steel company a Grade 12 is required before they take an application.

The Chairman: You may be right, at the steel company. Perhaps it has changed at the auto plants.

Senator Fournier: I think they still require a Grade 12 at General Motors before they look at your application.

The Chairman: I will find out. I will make a phone call today and ask. I know some people. I am also curious.

Senator Carter: Following on the subject introduced by Senator Connolly and followed by Senator Fournier, I think there is a very good answer to that on page 6, paragraph 1.5. I would like to see that in our report, or at least a précis of it.

Senator Fergusson raised the point, too, or asked a question on the statement that some of this is much more common in other areas than in abuse of welfare.

The Chairman: Senator Carter, you have been around long enough to know that at some stage or another you just cannot catch up to these myths. To a misquoted statement or to a false report. The public, back as long as I can remember, starting with the stereotyped man in the early beginning of the century from the "dole" age, there was the idea of stereotyped man who was receiving welfare. That has come down to us, no matter what we have tried to do, despite coming through relief and welfare and other services, he is still there. It is like catching

up to a great big lie; you may deny it and deny it but you just cannot catch up to it.

Senator Carter: You cannot deny that there is some. There are general cases. What we do not say is that they are no different from anybody else. The same thing happens in income tax.

The Chairman: You remember the young lady who was here from Quebec, you remember what she said—are these poor to be the moral standard for everybody?

Senator Carter: Yes.

The Chairman: She said, do you expect them to set the example. I thought those were chosen words. They stayed with me.

Senator Carter: I would like to come back to the question raised earlier, about page 25. They said the Government assistance payments were a source of poverty. In your survey, did you make any attempt to find out how many people would be on that poverty level if they did not get family allowances? To what extent was family allowances effective in keeping some families above the poverty line.

Mr. Arnold: That is a tough one, because our survey would not enable us to answer it. On the other hand, thinking in terms of our estimated distribution of income by family size in Hamilton in 1969, you could probably come to the conclusion that the absence of family allowances would probably lead to an increase of the percentage in poverty of something like one per cent.

The Chairman: Following that for a moment, now that you have raised it, the guaranteed income, using the negative type, makes provision for children; so that, assuming that we accepted your figure for the moment, you make better provision for children there than family allowances makes. We can talk to Professor Jones about this for a moment. When Senator Pearson spoke of doing away with a great number of programs in there, what Senator Pearson had in mind, I am sure, is the general programs that family allowances, age security, the blind, the crippled, the maimed.

We are doing some thinking on that. We think that the only programs that are untouchable are contractual programs—workmen's compensation, Canada Pension Plan, Unemployment Insurance. Can you think of any other?

Senator Pearson: Old age security.

The Chairman: No, that is not a contractual program. Old age security has the negative income tax procedures.

Senator Cook: All that is quite true, Mr. Chairman, but, if you are going to help, you still have to have more money, and the sum total of the improvements, shall we say, must cost more than we are paying now.

The Chairman: There is no question about that, Senator Cook. No one will deny that the program is going to cost some more money. In fact, it does not take too much figuring to get an idea. For example, we can take the

area of old age security. There are 1,600,000 people drawing old age security. Of those, 800,000 draw the supplement, and for them there is no question that they need it. Of the remaining 800,000 drawing old age security a generous assumption of those who would need it would be, say, 300,000. That leave 500,000 people who are drawing old age security but who do not really need it. You may say that they are taxed back to some extent, and that is true. But Senator Pearson brought that argument to a halt when he pointed out that it is not all taxed back and that some of it is retained. If I recall correctly, the recipient always retains at least a third.

Senator Cook: They will retain a half now, if the new scheme goes through.

The Chairman: They will retain a half. Whatever that saving is, if we were simply to transfer that to the people who need it that would be quite a lot of money. People like myself and Senator Harold Connolly, then, would not get it; nor would Senator Pearson; and as for the rest of you senators, you are much too young for the question to arise. At any rate, our staff is working on what the figures would be in such a transfer of payments and those figures will be given to you when they are ready. Moreover, the federal Government will have such figures in their White Paper. I am positive of that.

Are there any other programs that you can think of, any of you?

Dr. Jones: The only thing I would say is that, of course, the assumption is that the poverty line would be the poverty line we are recommending.

The Chairman: I started out by making that assumption. I said that we would assume that we were taking your poverty line. Incidentally, your poverty line, from everything we can see, is not so generous as all that. I do not know what we will accept; it is a question of what we can afford.

Dr. Jones: I think you are right. You can do away with those other programs. One thought comes to my mind, and it may be hedging a bit on what you are defining this area as including, but I can see the possibility of certain kinds of educational grants still being required for, for example, higher education. For example, if people get an income to the poverty level that still may not allow for opportunities for their children to get higher education and so there might be something there.

The Chairman: Educational grants go to the provinces. These are individuals.

Dr. Jones: I am looking at the general picture.

**Senator Cook:** In any event, Mr. Chairman, whatever poverty line the Government might set up now would not be sacrosanct. The old age pension started at \$40 a month.

The Chairman: That is exactly right, Senator Cook. All we have to be careful about here is to make sure that a poverty line today is meaningful a year from today. To that end we anchor the poverty line to two things. We

anchor it to the cost of living increase and we anchor it to the gross national product increase. If we tie it to those two things it will always be relative. Even the Professor agrees with that.

Senator Cook: It must do something to help the present situation.

The Chairman: Oh, yes.

Senator Cook: There would be no point in having a poverty line which would make these people worse off than they are at present.

Senator Fergusson: Mr. Chairman, just reverting to the subject of poor people's expectations of education, I believe the witnesses said that, of those who were questioned, 60 per cent said they would like to see their children receive university education, but that only 17 per cent said that they thought their children would receive university education. I just wish to point out that from evidence we have heard before we have been given the impression that poor people do not value education very much and would, in some cases, even think that it was not a good thing, that it was not worthwhile.

Dr. Jones: All I can say in answer to that, Senator, is that on the basis of the answers to our questionnaire that was not so.

Senator Carter: Just following on an earlier statement you made concerning the scale of poverty and determining the poverty line, you have made more generous provisions for children, and looking at your scale on page 5 I notice that the fifth child seems to be somewhat special in that he gets \$100 more. Is there any special reason for that or is that just an error?

Mr. Arnold: The explanation for that is that the increases for all children beyond the first are slightly over \$700, and we rounded everything to the nearest \$100 and it just happened that that was the point at which the rounding out put the extra \$100 in.

Senator Carter: I see.

Mr. Arnold: In other words, that is where it was brought above the \$50 mark.

Senator Carter: It is not an error, then.

Mr. Arnold: No.

The Chairman: It is really like a bonus or a prize.

Senator Carter: It certainly is a bonus.

Senator McGrand: Just reverting once again to the question of what education poor people might expect their children to attain, you said 60 per cent would like to have their children receive university education but only 17 per cent believed that their children would get a higher education. With respect to that and to the suggested impression that the poor want to be poor, I must say that the culture of poverty is something that needs far more research than it has received in the past. Social scientists have used the term culture of poverty as have

some of the people in the upper strata of our society, who seem to have decided that it is a good label to attach to the unfortunate poor. I should like to see some research on that, if you are going to do any more.

Dr. Jones: If we can get some funds, we will do more research.

The Chairman: There is an impression one can get from certain people that they look upon poverty as a sort of eighth deadly sin. Have you any views on that?

Dr. Jones: Only my personal views, Mr. Chairman. That is certainly not the way I look at it. With respect to the term culture of poverty, I do think that in some cases people are using it in a derogatory sense, as Senator McGrand points out, trying to argue that the poor want to be poor. That is not necessarily the case at all. In some cases the expression culture of poverty is used to suggest, and perhaps reasonably, that the poor are not necessarily as committed to some of the middle-class values that are held by the majority of the people. I have some sympathy with that attitude, because one can press individualism too far; one can press achievement too far; one can press the idea of maximizing income too far. I think it is time we considered the suggestion that some of the values that the poor have might be worth preserving, and one of the things that I have been concerned with is the significance of background in education.

Let us say that the general picture seems to be that the children from middle-class homes have an advantage in school over those from poorer class homes. The values of the school favour middle-class children in that they emphasize achievement and individual responsibility and so on. What I would prefer to see is not an attempt being made to try to transform everybody to one set of values, but to see what kind of conditions we could have which would allow some kind of diversity. I could never unequivocally say that any particular set of values are the best. It is easy to overemphasize a particular set of values.

Senator Cook: But don't you feel that the poor old middle-class values have been taking an awful beating recently?

Dr. Jones: If you are a powerful group, you have to expect a certain amount of hostility.

The Chairman: But aren't your students saying exactly what you are saying at the moment? Isn't that what they are saying right across the country?

Dr. Jones: Some of them are saying that, but not all of them. I do not get the significance of your statement—whether you mean I am learning from my students, which is quite reasonable, but I could also make the claim that I had a few ideas like this a few years ago.

The Chairman: Professor, is there anything you would like to say that has not been said? You have taken on a great responsibility and you have done a great deal of work on this. Is there anything that we have missed or anything that you specifically want to add?

Dr. Pineo: I think there is one matter arising out of chapter 7 of volume II, which Mr. Arnold wrote, and which we would not have time to go into now. It is his information that if economic growth is properly channelled through government intervention, one could anticipate this bill not growing larger and larger, but plateauing or even going down. In our discussions we have looked back upon what has happened to growth in the past. If growth is going to cure povertty, why is it that it has not yet done so? So far as we can see, growth by itself with premature automation would actually do more harm than good. There are cases in Canadian history where growth has helped the poor to some degree, but these are cases where government has intervened either with minimum wages or transfer payments. Assuming growth in the next ten years and assuming intelligent government intervention to ensure that the lower segment gets its share, there would be some forces working towards reduction of the poverty problem which would minimize the upper limit on the guaranteed annual

Senator Cook: Accepting for a moment your premises and accepting that it is going to cost \$3½ billion to bring in a guaranteed annual income at the standard mentioned here, a great deal of that \$3½ billion would come back if the tax structure were to remain the same as it is today. It will come back in indirect taxes because the money will be spent. It is not going to be put in the bank. So, even accepting that large figure, the direct charge would not be too great.

The Chairman: That is what he is trying to say. You mean, professor, that there would be more taxes being paid as a result of the greater prosperity, and in that way the cost would be brought down?

Senator Carter: I understood he was saying something far different from that.

**Dr. Pineo:** Well, I am really reacting to the Chambre of Commerce brief. They say that the money should be put into capital investment because if you get growth, poverty will automatically disappear. We are saying that there is a certain moment of truth to that, but wherever it did happen in the past, growth has only ensured a reduction in poverty if government intervened to make darn sure it did.

Senator Cook: Growth does not make people less competitive?

Dr. Pineo: That is right. We are hoping that this \$3½ billion bill that you are talking about will motivate government to make sure that when growth does occur, part of it will go into the hands of the poor, and the reduction in the \$3½ billion bill would be an incentive to government.

Senator McGrand: The other day we had a brief presented to us and I asked some questions to which I did not get the type of answers I had hoped to get. In what area or what segment of the economy would you expect this growth to take place that is going to give this extra

employment? We are certainly not going to get it in textiles. You have seen what has happened in Sherbrooke and Cornwall. We are not going to get it in the electronics field. I gather about 85 per cent of our electronic needs are imported anyway. We are not going to get it in leather goods. We have newsprint which is increasing, and we have the Labrador iron ore, and we have the oil and gas in western Canada which will be exported in great quantities. But with the oil and gas, for example, after the wells have been drilled and the pipeline laid, while they do create wealth for certain people, they do not give employment. Therefore in what segment is there going to be this growth and in what way will it help to keep people employed? I don't expect Professor Jones to answer that.

Dr. Jones: I am off the hook, anyway.

Dr. Pineo: I don't know where it can be. I am merely saying that if we commit ourselves to growth only, the high-capitalized lower labour segment is the place it will probably occur. We must recognize that we don't want growth unless it is going to occur with proper distribution of rewards and resulting social stability.

Senator McGrand: In all these discussions the question comes up occasionally about the number of people who will not work. I have asked the question several times. I have asked for a percentage figure and I usually got the answer that it is not a large number—that it is a small number. But then the question arises as to how small is small? Is it 2 per cent or 5 per cent of the people on welfare who will not work? If it is small, I think we should forget about it because these people will not work and even if they do take a job, they will not earn the money when they are on the job. They will have to be supported anyway. But what percentage of people would you say on welfare are really refusing to work?

**Dr. Pineo:** That would be a form of fraud, and we have established from our studies that the proportion committing fraud is under 2 per cent.

Senator McGrand: I am not speaking of fraud. Let me quote an example. Only a few days ago you had a demonstration in Ottawa and people went into City Hall and brought their beds and their mattresses and there was quite a turmoil. One man said he could not get a job and he had to leave his wife so she could get welfare because he could not support her. I understand that someone found him a job right there and then which he refused to go to next morning.

Mr. Amdur: I just want to say that I do not think the fraud figures include the description you talk about. It dealt with people who were working and who were receiving welfare.

In response to this question about percentages, it is very difficult to define. It may sound simple, but when you ask the question: "How many people will not work under what conditions," you have to consider the fact that people who will not work under one set of conditions might do so under another.

Some of these conditions can be in terms of emotional problems. There is something about an affluent, competitive society such as this in which it is assumed that someone who is not out there fighting to be top dog with the rest of us is somehow getting away with something. Those in the mental health field would say that such persons are really casualties, rather than being somehow a success.

I cannot give you a percentage, but we do point out some of the problems in defining it.

Senator Carter: I would like to follow up that statement, which we know to be true, that the growth has not helped very much to alleviate poverty. We have had growth and poverty and the poverty level has remained just about the same. However, if growth is not the answer, and I am prepared to concede that it is not, it may be part of the answer in small proportion, but surely the only other answer is redistribution of the wealth that is produced.

Dr. Pineo: Yes.

Senator Carter: That means that we have to change the pattern of distribution substantially. How can that be done without interfering with the growth? The people the money is taken from are really those who contribute to the growth.

Dr. Pineo: Yes, I think it is inevitable. I do not know enough about economics. Of course, at the same time you are putting money into the hands of people who will definitely spend it, because they have to. It does not immediately then go into investment, but it certainly has consequences to business turnover, which must have beneficial consequences.

Senator Cook: There would not be a shopkeeper in the country who would want to do away with family allowances now. There are many complaining about it.

The Chairman: Or even with welfare in any sense, because of the consumer distribution of money made available.

Senator Carter: You say the taxation level must be increased about 19 per cent?

Dr. Pineo: Yes, we figure, for example, that within Hamilton there is sufficient money that the funds for poverty could be found without even touching corporate income tax but just personal income tax. There would remain the considerable variation in income consistent with the idea that we are still a competitive society. Clearly the top incomes would not be as great as they are now.

Senator Cook: Did your figure of 19 per cent take into account how much of this extra payment would return in taxation?

Mr. Arnold: It was calculated simply in terms of the net transfer required. Of course, some of this will return because it will be given to someone else, from whom it will be taxed.

We did not go into the second order, exchanges.

Senator Carter: I am referring to the national scale. The bulk of our taxes come from the group between \$8,000 and \$40,000. If we spread another 19 per cent over that group we might interfere seriously with the whole growth and dynamics of the economy.

**Dr. Pineo:** Yes, that is one reason we recommend a gradual phasing in, in order to avoid severe dislocations of that nature.

We feel that growth has not solved the problem. If other solutions are to slow the rate of growth to some degree we are willing to accept it.

Senator Cook: That is part of the price we have to pay.

The Chairman: With respect to redistribution, we have a growth rate in this country in the gross national product of 7 per cent, 8 per cent and 9 per cent.

Mr. Joyce: It is half of that.

The Chairman: Have you any idea how much new money that brings?

Dr. Pineo: No, I am sure it has been figured though.

Mr. Arnold: I have seen the figures, but I cannot recall them.

Senator Fournier: One point which will contribute to poverty strikes me. We are facing that problem now. *The Gazette* of Montreal this morning announced a \$200 million expenditure for a new industry which will create 220

jobs. They comment that it is very serious for the amount of money being spent. So this is the problem that we have to face in the future, a tremendous amount of money producing low employment. Unemployment is the basis of poverty.

The Chairman: We asked you to make a repeat performance. Unless you are good the first time you never get a second invitation. You were as good today as you were when you last appeared.

With respect to the material you have presented and the research you have carried out I cannot add anything to the comments of the other members of the committee. However, I do think that you are by far the best social planning council in Canada when compared to those who have appeared before us.

Not only do we appreciate your efforts, but we asked you back because we thought it would be well for some of the others to take a look at the type of model they can attempt to emulate.

Of course, the very important aspect remaining is that the results of your findings have to be sold to Hamilton in the same way that you have sold the principle to us, so that the poor can benefit. It is not just study, it is results

We are very appreciative when we see the type of people who come here, who have a real and genuine concern for the poor. You are trying to assist them in the very best way you can. The way you do it is very useful and helpful.

On behalf of the committee I thank all of you.

The committee adjourned.

Poverty 5-11-1970

## APPENDIX "A"

Submitted by The Social Planning and Research Council of Hamilton and District, November 5, 1970.

## COMMITTEE ON POVERTY

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## Recommendations

Brief to The Special Senate Committee on Poverty Volume II

- 1. More adequate family planning programs are needed.
- 2. Canada Manpower needs to find ways to make its training services more attractive and available to the poor.
- Educational and training programs should be established that build upon foreign training and experience where the foreign training is not accepted here as equivalent to Canadian.
- 4. Public and voluntary agencies should give careful consideration to the report of the committee of citizens and agency people currently examining the needs and resources of Hamilton's North End.

## Recommendations

Brief to The Special Committee on Poverty, Volume I

The recommendations contained in this brief focus primarily on means which will improve conditions for those in poverty. We urge that governments at all levels explore through research and trial projects the means for eliminating poverty in Canada. All Canadians in need should receive the kind of help necessary to bring them beyond the poverty level through an uncomplicated mechanism that does not infringe on the dignity of the recip ent.

## Social Welfare

- 1. Public assistance grants should not be below the poverty line, and there should be work incentives beyond the poverty line. At least until such time as grants are raised to the poverty line, additional money for public assistance is probably best spent in increasing the size of grants rather than improving casework services. In no case should receipt of public assistance be dependent upon willingness to accept casework help.
- 2. The Province of Ontario should cease looking at social welfare as a program for community casualties only. It should adopt legislation making possible programs such as information services and other services for the entire community.
- 3. The Province of Ontario should pass legislation making it possible for the Province to take advantage of the Canada Assistance Plan in supplementing the incomes of those fully employed in jobs paying less than public assistance. It should also increase the amount that single parents receiving assistance and wishing to work may keep.
- 4. Public assistance programs at all levels should involve citizen committees and advisory boards on which representatives of recipients are included, and these programs should aim at increasing public appreciation for and understanding of public assistance through providing "community leaders" with opportunities to learn more about public assistance, through use of a program including going on home visits, with the consent of the clients.
- 5. All public assistance in Ontario should be provided through a single Provincial Department of Social and Family Services or through regional agencies with all operating functions, operating under regulations set down by a Provincial Department. There should be an adequate number of branch offices for accessibility, and public assistance workers throughout the area should be assigned caseloads in accordance with the degree and type of their training and experience. Scholarship help and leaves of absence should be available for public welfare staff wishing educational advancement and capable of utilizing it.
- 6. Various practices which tend to degrade recipients, such as taking license plates away, paying rent directly to landlords, holding interviews under unfavourable conditions, and asking recipients to be available for home visits over extended periods of time, should be eliminated wherever they occur. Control of client expenditure of

money is appropriate only when the client is inacapable of handling his money.

- 7. There should be programs to provide basic adult education for rehabilitation of persons who are not able to read or write at a minimally adequate level or who lack basic arithmetic skills.
- 8. There is need for more Canadian research in and by public assistance agencies.

## Housing

- 9. The Federal Government should gather data about housing on a regular basis for centra leities, metropolitan areas and provinces. The data should provide information about vacancy rates and quality of dwelling units, from a sample of all dwelling units, occupied and vacant, rental and otherwise.
- 10. The Federal Government should cease using housing as an economic regulator.
- 11. Appropriate levels of government should provide much more public housing and should take measures to increase the quantity of housing. Quantity of housing can be increased through more non-profit and cooperative construction and renovation made possible by low interest and/or no-interest long-term loans, loan guarantees, and grants. Stringent measures to counteract the inflation in land costs can be expected to increase quantity of housing even further.
- 12. Locally, a single department should be responsible for receipt of complaints related to quality of housing.
- 13. Quality of housing should be ungraded, using such approaches as tax holidays for improvement of substandard dwelling units and municipal trusteeship of such units.

## The Role of Social Planning Councils

- 14. As most programs require some degree of adaptation to local conditions, the Government should be aware of the social planning councils as a major resource in making these adaptations. The Government should take steps to make it possible for social planning councils to obtain Federal funds to carry out demonstration projects and to provide a continuing source for the kind of research information which they are in a unique position to supply.
- 15. Other social planning councils and voluntary agencies generally should become involved in assisting the organization of low-income citizen groups and in involving them more fully in existing organizations.
- 1. Summary of Earlier Brief with Comments
- 1.1 In our original brief, we pointed to the importance of looking at poverty in the Hamilton area because it is typical of areas of high industrial activity and can therefore be seen as exhibiting the kind of poverty one might expect in the future. We found that in 1969 between 15,000 and 16,000 families in Metropolitan Hamilton were living in poverty.
- 1.2 Utilizing the criterion that a family which has to spend 70 per cent or more of its income for adequate

food, clothing and shelter is in poverty, and assuming that public assistance grants are adequate to meet needs for food and shelter but not clothing, we set the following poverty lines for this area:

TABLE 1

Poverty Lines for the Hamilton Metropolitan Area in 1969 by Family Size

Family	Size	Amount
1		\$ 2,200
2		3,200
3		4,100
4		4,800
5		5,600
6		6,300
7	• • • • • • • • • • • • • • • • • • • •	7,000
8		7.700

- 1.3 We reported that in 1961, 17 per cent of Hamilton area families were in poverty compared to 20 per cent of Ontario families and 27 per cent of Canadian families. Hamilton's lower rate is due to the fact of higher income levels associated with an industrialized, unionized area. By 1969, only 13 per cent of the families in Metropolitan Hamilton were poor. As family size increases, so does poverty, till in the families of 8 or more persons over half are poor. Nevertheless, \(\frac{3}{2}\) of Hamilton's poor families have 5 or fewer members, and over 70 per cent are headed by wage earners. Rates of poverty and of juvenile delinquency appear highest in an area of Hamilton known as the North End.
- 1.4 In our committee's original discussions, committee members expressed interest in focusing on public assistance and housing, feeling that these were areas of particular concern. In the case of public assistance, recipients are, after all, our "certified" poor. Housing is such a serious problem in the Hamilton area that people felt that it would present especially difficult problems for the poor.

## Public Assistance

1.5 Public assistance is handicapped by a negative public image. Not only many members of the general public but even public officials appear to have a low regard for recipients. Canadians regard receipt of public assistance from welfare departments in a different light from receipt of "public assistance" in other forms such as N.H.A. mortgages, family allowance, oil and mineral depletion allowances, etc. While evidence from the United States seems to indicate that fraud is much more common in the area of income tax payment than in public assistance, many people tend to see recipients of public assistance as cheats. Unfortunately, recipients of public assistance to some degree incorporate the attitudes that others hold toward them. People who have feelings of worthlessness are more apt to be incapacitated in overcoming their dependent condition.

- 1.6 The main shortcoming of public assistance in the Hamilton Metropolitan Area is the inadequacy of grants. It was recommended that were additional money to be invested in welfare programs they should be spent on higher grant levels rather than new staff because basic needs had to be met before recipients were apt to exhibit behavioural and attitudinal changes.
- 1.7 Our Brief recommended the consolidation of public assistance agencies—city, county and province—in the Hamilton area in order to eliminate the confusion that exists in the minds of potential recipients, to make possible a greater upgrading of staff, and to facilitate specialization of caseloads.

## Housing

- 1.8 The tight housing market in Hamilton and District exists in spite of a tendency for the number of dwelling units to increase at a somewhat more rapid rate than population. Crowding, defined as a condition in which two or more families occupy one dwelling unit, declined between 1961 and 1966. Residential building starts have fluctuated markedly from year to year. While data on vacancy rates are not readily available in any comprehensive form, the vacancy rate in Hamilton in mid-1968 in single detached houses for rent or sale was only 1.7 per cent; in apartments with 6 or more units, the vacancy rate for rentals was only 1.3 per cent in 1969.
- 1.9 N.H.A. mortgages do little for low-income persons, with the typical borrower having an income in the \$6,000 to \$8,999 range. The cost of new construction in Hamilton has risen markedly, with the most spectacular increase coming in the cost of serviced land, which constitutes roughly 30 per cent of the cost of land and house. The quantity of housing in the Hamilton area may be adequate with the development of C.M.H.C.—O.H.C. acreage on Hamilton mountain in this decade, but how much of this will be accessible to those of low income is another matter. Certainly, private developers are not able to create low-income housing.
- 1.10 In our earlier brief, we judged from various sources that rental costs for housing would be, typically, \$100 for a low-income apartment and \$125 for the cheapest house. The survey data reported in the Brief to the Special Senate Committee on Poverty, Volume II, will alter this estimate somewhat. In that study, it was found that the mean rental of poor families was between \$86 and \$94 per month.
- 1.11 In contemplating the reason for the difference between rentals estimated in our first submission and that found in our survey, we looked at the question of how many poor people in Hamilton live in dwelling units assessed at over \$2,500. A large number of poor people living in such units might explain the variation. Our best estimate however, is that about 50 per cent of the poor in Hamilton live in units assessed at \$2,500 or less. Thus, rentals will fall between the \$86 and \$94 found in the survey data and the \$100 to \$125 cited in the earlier report.
- 1.12 In the initial Brief which we produced, our estimates on rent were largely arrived at through consulta-

- tion with people in the real estate business. It appears that the discrepancy between the higher rents quoted in the first Brief and the lower ones found in the survey of low income families may exist because real estate people contacted are not involved in transactions related to the housing utilized by poor people. The rents actually paid by many of the poor and the frequent mobility of a sizeable minority among them suggest that a fairly large group are involved in the kind of shopping around and moving from place to place that is illustrated in the Pratt case in the first Brief.
- 1.13 Public housing in the Hamilton area meets part of the need, and in fact Hamilton is well provided with public housing compared to other cities. However, the amount of public housing does not begin to meet the need for low income housing.
- 1.14 While information about the quality of housing available to low income families is not readily available in a quantified form, one former worker for the Hamilton Public Welfare Department felt that from a fourth to a third of the dwelling units occupied by her clients had serious defects.
- 1.15 In order to create enough housing, especially for low income families, a variety of programs might be employed. In looking at cost factors, however, reduction of land costs and mortgage rates appear central. Both of these are amenable to governmental manipulation in a variety of ways. Land costs could be decreased by increasing amounts of serviced land available, by Government selling at below market, or by Government ownership, for example. There is also a need for much larger amounts of public housing.
- 1.16 Efforts must also be made to improve the existing stock of housing. Tax holidays for repairs to substandard dwellings and the possibility of municipal trusteeship for substandard dwelling units should be considered. The rentals recorded in the interview data and the extent of substandard housing suggests that it may be difficult to bring such housing up to standard and maintain them there on profits obtained from rents. This fact leads one to discount the slumlord as the prime villain responsible for slum conditions.
- 1.17 Senator McGrand asked for our view on demolition of old, sound buildings of two to four storeys in order to replace them with high rise apartments. In the first place, such a direction is inherent in high and increasing land costs. Where land costs make up a large part of final housing costs, there is a strong impetus to move to greater density. Socially, people are beginning to question the endless push in the direction of greater and greater density, however. Increasing concentrations of people are accompanied by increasingly serious problems of pollution and waste disposal, transportation, and availability of various amenities. These problems are especially marked when there is a sudden increase of population in areas originally designed for less intensive

<sup>&</sup>lt;sup>1</sup> Brief to the Special Senate Committee on Poverty. March 12, 1970, pp. 58-59.

concentrations of people where services grew gradually to meet these less intensive concentrations. A thoughtful analyst of the housing scene comments as follows:

The late Kenneth Soble, who, as the first chairman of the Ontario Housing Corporation was as close to being the father of public housing in Ontario as we have had, was firm about a principle—that public housing should not develop ghettos.

He insisted, for the sake of both the tenants in the housing and for the project, public housing should be spread intermittently through the regular residential areas.

In theory, this would mean that the people in the housing could hold their heads higher. There wouldn't be pockets of blight—which concentrated public housing developments tends [sic] to become—in the community.

In the current discussions of the housing program, a former speaker and staunch Conservative, David Morrow of Ottawa, complained that developments in public housing in the Capital were on the way to building slums. Because there was mass concentration.

Other members protested about a development at Thunder Bay where allegedly families were being crowded into a high rise.

There were two main elements causing this situation.

One is the continually inflating cost of land. The higher land costs essentially mean ground space that can be economically allotted to each residential unit has been shrinking.<sup>1</sup>

1.18 More and more, thought is being given to planning that promotes new population centres rather than simply intensifying existing densities. Thus, the recent report of the Regional Development Branch of the Ontario Department of Treasury and Economics calls for new spurts in population in places such as Barrie and Midland to the North and the Cobourg-Port Hope area to the East, a development counter to the trend for sprawl to occur outward from Toronto and in a westerly direction. How this proposal is to be implemented is problematical.

The Role of Social Planning Councils in Dealing with Poverty

1.19 Social planning councils are involved in dealing with poverty in a variety of ways, in areas of research and policy recommendations, in coordination of existing services, in assisting in the planning of services in the health and welfare field, and in other ways. A number of the reports and briefs of the Social Planning and Research Council of Hamilton and District are fairly

directly pertinent to problems of the poor. Social planning councils often find it difficult to obtain funding for needed activities. Special studies that require extraordinary funding are difficult to implement because of the paucity of funding sources and the limited range of studies which these sources will fund. Besides the role of analysis of problems, the Social Planning and Research Council of Hamilton and District has recently moved to provide direct service to low income citizen organization, following the lead of the Conseil de Développement Social du Montréal Métropolitain.

## 3. New Developments

2.1 Since our original Brief to the Special Senate Committee on Poverty, several events worthy of note, have occurred in terms of actual program changes and in terms of commentary by observers, both official and from the fourth estate. We will begin by reference to public assistance.

#### Public Assistance

2.2 The first concern about public assistance raised by our earlier Brief related to attitudes towards recipients. We commented on remarks made by public officials and on attitudes that seemed widespread in the community. Since that time, on June 16, 1970, the Victoria Park Community Welfare Association, an organization of welfare recipients, appeared before the Hamilton Public Welfare Board and requested permission to set up a table in the waiting room of the Hamilton Public Welfare Department to inform people of their rights and acquaint people with the Victoria Park Group. The Board turned down the request, with two members of the Board in the minority. We are not here debating the merits of their decision. However, a senior official of the city government was reported to have said that he would consider granting the request "if the group would help the city by finding jobs for people now on welfare, and reporting names of people getting welfare who don't need it."1 Unfortunately, such remarks tend to perpetuate false stereotypes about recipients of public assistance. One wonders if other, more affluent, citizen groups would be judged in similar terms.

2.3 On the issue raised by this senior official, in our Brief of March 12, 1970, we pointed out that "The bulk of public assistance recipients are the old, children, single parents, and the handicapped, with a very few employables." We also examined what available data there were on the question of fraud, and we found that there was very little fraud among public assistance recipients.\*

2.4 Provincially, public assistance recipients gained an increase in their grants, but these continue to lag well behind the poverty lines which we have calculated. Details of the new rates are shown in Table 2.

<sup>&</sup>lt;sup>1</sup>Don O'Hearn. "They are Becoming Slums," in Guelph Mercury, June 6, 1970.

The second factor he mentions is the construction by private builders, who wish to concentrate families as much as possible in order to maximize profits.

<sup>&</sup>lt;sup>2</sup> "Design for Development: The Toronto-Centred Region," in Ontario Economic Review, vol. 8, no. 4, July-August, 1970, pp. 3-13.

<sup>&</sup>lt;sup>1</sup> "Welfare Info Centre Rejected", in *Hamilton Spectator*, June 17, 1970.

<sup>&</sup>lt;sup>2</sup> Brief to the Special Senate Committee on Poverty, March 12, 1970, p. 27.

<sup>3</sup> Ibid., pp. 27-29.

TABLE 2
ONTARIO PUBLIC ASSISTANCE

Compared with S.P.R.C. Poverty Line for 1969

Family Size <sup>1</sup>	Social Assistance	Equivalent in Earned Income <sup>2</sup>	S.P.R.C. Poverty Line <sup>3</sup>
	\$	\$	\$
1 person (living alone)(disabled)	1,380 1,560	1,630 1,844	2,200
2 persons (adults living in unheated premises, Southern Ontario)	2,448	2,912	3,200
2 persons (1 child 0—9)(1 child 16+)		2,785 3,026	3,200
3 persons (2 adults, 2 children 0-9) (2 adults, 1 child 16+)	2,772 2,964	3,295 3,482	4,100 4,100
(1 adult, 2 children 0-9)(1 adult, 2 children 16+)	2,664 3,024	3,167 3,553	4,100 4,100
4 persons (2 adults, 2 children 0-9)	3,156 3,516	3,712 4,050	4,800 4,800
(1 adult, 3 children 0-9)		3,572 3,885	4,800 4,800
5 persons (2 adults, 3 children 0-9)	3,540 3,636	4, 124 4, 098	5,600
(1 adult, 4 children 0-9)(1 adult, 4 children 16+)	3,432 4,128	3,992 4,707	5,600 5,600

Source: Ontario Department of Social and Family Services. A Brief Prepared for the Special Senate Committee on Poverty. May 25, 1970.

<sup>1</sup>Allowances for families of two to five persons are based on the preadded budget of The Family Benefits Act plus rented, heated shelter at the maximum rate.

<sup>2</sup>Added to the basic allowance are amounts for income tax deductions at 1969 rates, contributions for unemployment insurance, and the Canada Pension Plan; Ontario Health Services Insurance Plan and Ontario Hospital Insurance at full rates. These figures will understate the value of public assistance in that no allowance is made for the free dental care provided.

<sup>3</sup>We do not calculate our rates differently for various age levels.

2.5 Hamilton has changed one policy about which we made a recommendation. Previously, we urged elimination of the practice of taking license plates from public assistance recipients. We understand that the practice was discontinued during the period in which our Brief was in process. This same policy is found in a number of localities, however. Recently, in response to complaints from organized labour, the Cornwall Welfare Department "has returned car license plates and ownership registration to unemployed workers on welfare.\(^1\) Metropolitan Toronto also recently discontinued the practice of taking

license plates.<sup>2</sup> We call this practice to the attention of the Special Senate Committee on Poverty because they will undoubtedly find it widespread. Similarly, we expressed concern about lack of privacy in the interviewing conditions at the Hamilton Public Welfare Department, and the Fyfe report on local government comments:

2.6 It has been the Commission's experience in visiting municipal offices to witness persons having to discuss private and personal matters in reception areas or hallways, and in anything but private circumstances.<sup>3</sup>

Apparently, this condition is not unknown outside Metropolitan Hamilton.

Previous Reports of the Social Planning and Research Counc'l

2.7 In Appendix B to our earlier Brief, we include summaries of some previous reports related to poverty. Two instances of progress are worth noting. Since publication of the Brief, the Ontario Government has covered podiairy under the Ontario Health Services Insurance Plan (OHSIP), as recommended in our report on foot care. In addition, a Central Information Service is in process of development locally, thanks to initial funding by the Provincial Government, the City of Hamilton, and the Junior League. The Board of this new agency is currently in the process of hiring staff.

## 4. Summary of Interview Research, with Comments

3.1 From October, 1969, through February, 1970, the Social Planning and Research Council of Hamilton and District undertook a unique research project involving the interviewing of a systematic sample of family members of families living in dwelling units in the City of Hamilton assessed at \$2,500 or less. The interview schedules were designed to provide information about poverty in Hamilton: who is poor? what are their living conditions? what are their attitudes and their way of life? how do they differ from those who are not in poverty? Calls were made on 350 homes, resulting in 202 interviews, 106 of which turned out to be from families in poverty by Social Planning and Research Council standards. Income sources and income levels by family size of the poor families interviewed were remarkably similar to independent estimates for the poor in Hamilton.

3.2 Respondents were divided into five categories: the very poor (at least \$1,000 below the poverty line), the poor (averaging about \$500 below the poverty line), borderline (straddling the poverty line and averaging \$200 to \$300 above it), the near poor (averaging about \$1,000 above the poverty line), and moderate income (at least \$1,500 above the poverty line and averaging about \$2,200 above it).

<sup>&</sup>quot;License Plates Returned," in Ontario Welfare Reporter, vol. 17, no. 2, summer, 1970, p. 10.

<sup>&</sup>lt;sup>2</sup> "Drop Welfare Policy on Taking Car Plates," in Toronto Globe and Mail, Sept. 11, 1970.

<sup>&</sup>lt;sup>3</sup> Stewart Fyfe, Special Commissioner. Waterloo Area Local Government Review. Report of Findings and Recommendation. Toronto: Ontario Department of Municipal Affairs, February, 1970, p. 89.

3.3 Policy implications not previously discussed in the earlier Brief were relatively few, though several of the earlier ones were reinforced.

Who are the Poor

- 3.4 Close to half the poor families in Hamilton live in the North End, an area bounded by the bay on the north, and west, by Ottawa Street on the east, and by Cannon Street on the south. Close to half the families living in this area are below the poverty line.
- 3.5 People born in Canada outside of Ontario (90 per cent of them from east of Ontario) were over-represented among poor people in our sample. Immigrants were in about the same ratio to the poor population as to the total population, but fewer of them received public assistance and more were employed. People of French origin, usually internal migrants, were over-represented in our poverty sample.
- 3.6 Of our poor respondents, the major source of income for over 40 per cent was wages and salaries. Another 20 per cent relied on the Old Age Pension, while over 15 per cent got Family Benefits and slightly under 15 per cent got General Assistance. Ten per cent received Workmen's Compensation or Unemployment Insurance.
- 3.7 Families headed by persons over 65 are half again as likely to be in poverty, compared to those with younger heads, and female-headed families are over  $2\frac{1}{2}$  times more likely to be in poverty than families with male heads.
- 3.8 Over two-thirds of the family heads in our poverty sample had less than grade 9 education, compared to less than half of the population aged 20 and over. Respondents from poor families were more likely to come from families where their father was a blue collar worker and where their father had less than a complete elementary education.

What are Their Living Conditions?

- 3.9 About  $\frac{1}{4}$  of poor families interviewed were less than \$500 below the poverty line. Another  $\frac{1}{5}$  were from \$500 to \$1,000 below. The remainder were \$1,000 or more below it. One quarter of the poor families in our sample had incomes over \$5,000, and among families \$1,000 or more below the poverty line, 40% had 6 or more members.
- 3.10 Families at different income adequacy levels have different priorities for what they would do if they had adidtional income. Among the very poor, over \(^2\) of the responses to this question had to do with improved housing, clothing, and food. Only in the categories above the poverty line do a majority of families say that they have enough income to meet their needs, while in the poorest category 85% say that they do not. This pattern of responses provides support for the poverty lines established in our earlier Brief, which were established on the basis of a definition of 70% of the poverty line being equal to public assistance allowances for food, shelter and clothing plus the cost of clothing at retail.\(^2\)

3.11 Our earlier calculations of a poverty line are thus reinforced by the subjective evaluations of our respondents. These poverty lines are also modest when looked at in other ways. The U.S. Department of Labor has developed a new lower Living Standard Budget with which it might be compared. We use data for urban U.S. and for Buffalo, the closest U.S. point listed in the U.S. Department of Labor report.

## TABLE 3

Comparison ' of S.P.R.C. Poverty Lines with Lower Living Standard Budget of U.S. Department of Labor

			Urban U.S.	Buffalo	S.P.R.C.
Family	of	2	 \$2,671 2	\$2,944 *	\$3,200
Family	of	4	 \$5,915	\$6,083	\$4,800

Source: U.S. Dept. of Labor Lower Living Standard Budgets for Family of Four and Retired Couple.

The U.S. amounts are for an obviously modest living level. Some remarks from Department of Labor descriptive material will illustrate:

The provisions of the lower standard are conservative. For example, food-at-home costs are based on the USDA low-cost food plan, widely used to estimate money allowances for food in public assistance programs.\(^1\)

Shelter is limited to rental housing, for the four person family, with rental "based on the low third of the distribution of contract rents for all five-room, one-bath rental units" with "sufficient sleeping space, essential household equipment (including plumbing), adequate heat". For the retired couple, rates are based on both owned and rented dwelling units. Rental units have 2 or 3 rooms and owned units 5 or 6 (no mortgage), with the rentals being in the lowest  $\frac{1}{8}$  of all units of that size meeting basic requirements for health. Owned units average a cost of 12% less than the rented ones. For both the retired couple and the family of four, "Clothing costs are based on replacement rates..."

3.12 While the S.P.R.C. rate for a family of two is slightly higher than for the Lower Living Standard

<sup>&</sup>lt;sup>1</sup>It was felt that the public assistance allowance for food, shelter, and clothing was in fact only adequate to meet costs of food and shelter.

<sup>&</sup>lt;sup>1</sup> Rates are quoted as if currencies were at par. S.P.R.C. figures are rounded to nearest \$100, while U.S. figures are not. <sup>2</sup> A retired couple.

<sup>&</sup>lt;sup>1</sup> Jean C. Brackett. "New BLS Budgets Provide Yardsticks for Measuring Family Living Costs," in Monthly Labor Review, April, 1969, p. 5.

<sup>&</sup>lt;sup>3</sup> Mary H. Hawes. "Measuring Retired Couples' Living Costs in Urban Areas," in Monthly Labor Review, November, 1969, p. 6. ! Loc. cit.; Brackett, op. cit., p. 6.

Budget for Buffalo (\$128 per person), our rate for a four person family is considerably lower—over \$320 per person (\$1,283). At the same time, costs in the Hamilton area are considerably higher than in Buffalo on many items. A recent article¹ in our local daily compared a variety of grocery items in two different A & P's, one in Hamilton and the other in Buffalo, and on virtually all items the U.S. prices were lower, in several cases by a considerable amount. The differences on items such as television sets and cars was also very marked. Thus, at the best, a family of two may be given a very slightly better break by our figures, while larger families are considerably worse off at our poverty line than on the

## Lower Living Standard Budget.

3.13 Respondents to the interviews did not differ on the basis of living level as to where they shopped for groceries, but North Enders were less likely to use supermarkets than other Hamiltonians. There are few supermarkets in that part of the city. The very poor are much less likely than others to shop for clothing in department stores and much more likely to rely on cut-rate stores or clothing shops operated by religious bodies.

3.14 As income adequacy decreases, families spend less per capita on food and more as a percentage of their income. As income adequacy decreases families spend less per capita on clothing but more as a percentage of their income. While there is no clear relationship between rent or mortgage payments and income adequacy, monthly housing costs take a much higher proportion of income among the lower income adequacy groups. Expenditures for food, clothing and shelter are consistent with the figures used in developing our poverty lines. Debt payments and recreation expenses per capita as a proportion of income are fairly constant over the income levels, but amounts for both increase with income. As income adequacy rises, savings increase very sharply. Unemployment becomes much more common as we move down the income adequacy scale.

3.15 Throughout the various income adequacy levels surveyed, large families tended to have difficulty finding accommodation. The presence of obvious observable defects decreases as income adequacy rises. Such defects are more common in rented accommodation, more common among families headed by native-born Canadians, and more common among public assistance recipients than among others. Housing satisfaction is strongly related to the absence of these defects, and the families least likely to be satisfied with their dwelling units are renting, headed by native-born Canadians and welfare recipients. Families low in income adequacy are more likely than others to be deterred from having guests in by the size and/or condition of their homes.

3.16 Telephones, radios and washing machines are less likely to be found in the homes of families toward the lower end of the income adequacy scale. On the other hand, television, refrigerators, and hot and cold running water are as likely to be found there as elsewhere.

What are Their Attitudes and Their Way of Life?

3.17 Wives in families below the poverty line are less likely to work than wives in families above the poverty line. This does not apply so much among the working poor, but in families relying on Old Age Pensions, public assistance, or workers' insurance schemes, wives work only very rarely. The poorer families had more children than those who were better off and had more children living with them, but when asked how many children they would like if they could start over, there were no

significant differences in terms of income adequacy.

3.18 The poorer families visited relatives and friends less frequently than did those who were better off. The poorer families attend bingo and sporting events slightly less frequently than those who are better off. Our poorer respondents listen to the radio slightly more than those who are better off. There were no significant differences in terms of income adequacy in the time spent reading or watching television. Our respondents' favourite programs on radio were diversionary, but substantial numbers chose news, public affairs, and hot line shows as favourites. For over half of our respondents, the newspaper was the only reading preference with any significant public affairs content. There were no significant differences in terms of income adequacy in the proportions of respondents who had hobbies.

3.19 Our poorer respondents were less likely than others to belong to organizations. There were no differences in church attendance in terms of income adequacy. Three-quarters of our respondents supported the idea of low income people's organizations. There were no significant differences among the income adequacy groups in this respect. There were no significant differences in the percentage who said they voted in national elections among the income adequacy categories, but respondents in the North End were less likely to say they did so. There were no significant differences among the income adequacy categories in the percentages who believed that who was elected would not influence the development of social welfare.

3.20 Respondents in our zones 3 and 4, outside the North End and the adjacent downtown area, were more likely to think of their neighbourhood as a good place to live, but income adequacy levels did not seem to be a factor in such attitudes. Our poorer respondents appeared likely to be less interested in their daily routine. About 4 of our respondents, without respect to income adequacy, felt that their talents were not being fully used.

3.21 There is a very strong relationship between income adequacy and education. One eighth of the husbands we interviewed were currently upgrading their education. Another one-eighth said they thought they would take training to get a better job. An additional ten per cent were uncertain. Our respondents showed no significant differences in terms of income adequacy as to

<sup>&</sup>lt;sup>1</sup> Dave Proulx. "You're Paying More to Live Here," in *Hamilton Spectator* August 15, 1970. Higher costs were ascribed to such factors as regressive Canadian Federal taxes on many manufactured items, the large distances to sparsely populated places away from the bulk of the Canadian population along the border, the smaller market in Canada, and the need to advertise in two languages.

how far they wanted their children to go in school, but poorer respondents expected their children to go less far. About 60 per cent of all respondents would like their children to go to university. When asked how far they would go if they were in school today our poorer respondents tended to give lower answers than those who were better off. And by their parents' reports, children from the poorer families were more likely to have problems in school.

3.22 There was a significant relationship between income inadequacy and the number of family members who had been sick in bed for more than a week during the past year. Families toward the lower end of the income adequacy scale were more likely than those who are better off to have had police contacts during the previous year. The poorer families were more likely than others to have made use of a social agency during the preceding year. And families who did have such contacts had very high rates of unemployment and very poor housing conditions. They were also much more likely to have made use of public assistance.

3.23 If, by a culture, we mean simply a distinctive way of life, then in Hamilton we have a culture of poverty. However, if we mean a distinctive pattern of beliefs and values, we do not have evidence to support the presence of such a culture.

## Implications for Policy

3.24 The poverty line used by the Social Planning and Research Council are higher than an updated version of the lines used by the Economic Council of Canada, Question may be raised as to which is the more appropriate. Because our poverty lines are based on conditions in the Hamilton area, it would be inappropriate to claim nationwide applicability. But it may well be that they would be similar to lines that could be developed for other large urban centres.

3.25 We found people at our poverty line spending the 70 per cent of income of which the Economic Council of Canada speaks on food, shelter, and clothing. We also found that only among those above the poverty line we set did a majority of respondents say they had enough income to meet their needs. The shopping patterns of poor people and others in our sample were so far as our study found, essentially the same, except for the very poor who made more use of cut-rate stores and used clothing shops. In short, our poverty lines held up well under their basic tests. Conversely, the Economic Council's lines, updated to 1969, fared less well.

3.26 The major deficiency of the poverty lines set down by the Economic Council comes in the treatment of large families. Our lines go up to \$7,700 for a family of eight or more, while the Economic Council goes only to \$5,060 for all families of 5 and more. It is obvious that a family of eight will be more expensive to maintain than one of five, and the low figure used by the Economic Council will therefore underestimate the figures on the number of people in poverty in Canada.

3.27 From the standpoint of policy, it is important to consider the extent to which poverty within the current

economic framework is self-remedying and the extent to which further positive Governmental action is required. It appears that the Canada Pension Plan, if brought up to date for cost of living, will largely eliminate poverty among the aged, except for rare cases. Proposed changes in Unemployment Insurance will improve conditions for those suffering from short-term unemployment. There appears no relief in sight for those reliant on Workmen's Compensation. If increases in the minimum wage continue at roughly their current rate in the Province of Ontario, and if the economic growth rate continues at some place between 2 and 4 per cent, poverty should decline significantly among the working poor. There is no numdiate cause for optimism about raising those on public assistance from poverty, however.

3.28 The only large group unaffected by continuation of existing trends or by proposed changes in policy is that of public assistance recipients. However, the assumptions on which projections of improvement for other categories of the poor are made are not self-enacting. These require positive action on the part of the Government—in increasing minimum wages, enacting proposals on taxation and Unemployment Insurance, etc.

## 5. Some Thoughts on Guaranteed Annual Income and Other Programs

4.1 In the recommendations we made in the original Brief to the Special Senate Committee, we state, "All Canadians in need should receive the kind of help necessary to bring them beyond the poverty level through an uncomplicated mechanism that does not infringe on the dignity of the recipient." After some consideration, it became apparent to us that in this statement we had appeared to have endorsed the concept of a guaranteed annual income. There have been two main forms suggested for a guaranteed income, the negative income tax and the demogrant. We will look at both of these in due course, but first it is important to consider the feasibility of implementation of a guaranteed annual income program at this time.

### Politics

4.2 Is a guaranteed annual income politically possible at this time? This surely is a key question. An examination of where the parties stand on the issue is therefore central. The Opposition, the Progressive Conservative Party, has apparently come out in favour of a guaranteed annual income. The smaller parties have also spoken. The New Democratic Party is strongly in favour and the Créditistes are also in favour, since it touches their basic economic theories. While the PC's have endorsed the concept, it is no secret that there is considerable difference of opinion on this matter within the party at all levels. Mr. Stanfield has been a voice within his party for guaranteed annual income.

4.3 Such is the situation with the opposition parties. What about the Government? On April 24, 1970, in

<sup>&</sup>lt;sup>1</sup>Some also add social insurance programs, but to the extent that people are covered who have not paid in the social insurance program becomes a demogrant program.

response to a query from the Hon. Stanley Knowles (NDP—Winnipeg North Centre), Prime Minister Trudeau answered that guaranteed annual income is not Government policy. On June 15, the Hon. John Munro, Minister of National Health and Welfare.

- ...told the Canadian Conference on Social Welfare that while he personally accepts the concept in principle, he believes it is presently impractical.<sup>2</sup>
- 4.4 In short, it appears that the Government is not prepared to accept the idea of a GAI at this time. A Government vitally interested in establishing such a program would undoubtedly find the present situation the critical moment for introducing legislation. The opposition parties are all committed to some form of guaranteed annual income. The Government can count on the leader of the Opposition for support of the principle, at least.

## Form of Guaranteed Annual Income

- 4.5 Either the negative income tax or demogrant form of guaranteed annual income (GAI) can serve to bring people beyond the poverty line. Neither pre-supposes a particular level of support. Our statement has suggested that the level of support be adequate to bring everyone beyond the poverty line as we have defined it. Both types of mechanisms have their strengths and weaknesses.
- 4.6 The negative income tax concept provides for payment by the Government to persons whose income falls below a given level. The level of payment may vary according to policy. Thus, the policy may provide for covering half the difference between level of poverty and actual income for three quarters of the difference, or for bridging the entire gap, for example. Difficulties that need to be met in this kind of program include the time gap between income declaration and receipt of the negative income tax and the fact of changing income levels during a year for particular families. A declaration of expected income for a coming year might in part meet this problem.
- 4.7 Like the negative income tax, the demogrant can be geared to various levels of support. It has the advantage over the negative income tax of not requiring consideration of income level of recipients, since by definition it goes to everyone in the target population. (A demogrant form of GAI would, thus, go to everyone in Canada.) It has the disadvantage of going to many more people than the negative income tax would. Allowing people to opt out of the demogrant program would in part help to lessen this disadvantage but would also tend to stigmatize the program for those who do not opt out. Taxing income earned at much higher rates would cut down on the increase in money put into circulation by the demogrant procedure.

## Costs

4.8 It is our estimate that to bring all Canadians to a level of income at the poverty line will mean an increase

1 Canadian Press. "Guaranteed Income Not Policy: PM," in

Hamilton Spectator April 25, 1970.

<sup>2</sup> Spectator Wire Services. "Guaranteed Income Impractical: Munro," in ibid., June 19, 1970.

in all taxation of roughly 19 per cent.¹ Since redistribution of income necessitates use of progressive taxation, and since increases, in corporate income taxes can be to some extent passed along to consumers, the major tool must be the personal income tax.² If we focus on this source of revenue for the funding of immediate increase of incomes for all Canadians to the poverty lines in Table 1, we are talking of an increase in personal income tax revenues of something in the order of 60 per cent. The bulk of these revenues would have to come from those of higher incomes.

- 4.9 The consequence of such taxation would be that, taking Metropolitan Hamilton as a closed system, there would be virtually no families with over \$14,000 a year to spend. Since Metropolitan Hamilton is a relatively affluent community, the figure would be even lower for Canada as a whole.
- 4.10 While we feel it appropriate to move with deliberate speed toward bringing all Canadians up to the poverty line, we cannot at this time recommend a GAI at a level great enough to bring about such a result, because of the impact on investments, the uncertain effects on incentives, and the vigorous resistance that immediate implementation of such a policy would entail. Nevertheless, we do recommend adoption of a GAI, at a lower level. It appears that such a program would be virtually irreversible, just as today no one would seriously argue for abolition of family allowances or public schools.

## TABLE 4

## Taxes Collected in Canada, 1968

## (Millions of Dollars)

Direct Taxes	\$ 9,253
Personal	6,660
Federal	4,283
Provincial and Municipal	2,377
Corporate	2,593
Federal	1,932
Provincial	661
Indirect Taxes	10,021
Federal	3,764
Provincial and Municipal	6,257
Total Taxes	\$19,274

Source: D.B.S. National Accounts—Income and Expenditure, First Quarter 1969 (June, 1969).

4.11 There must be a lower limit to the level of income support under GAI, however. President Nixon's proposals for something like a GAI with a level of support little

<sup>&</sup>lt;sup>1</sup>Based on 1967 D.B.S. figures on income by family size. We estimate the costs of such a program at something of the order of \$3.5 billion.

<sup>&</sup>lt;sup>2</sup> Perhaps some measures could be taken to tax foreign corporations, somewhat more heavily, as private incomes beyond our borders, when filtered through holding companies, are relatively inaccessible to Canada.

more than half of inadequate poverty lines does not impress us as a forward step. Any GAI that does not at least equal the highest provincial payments for public assistance must be seen as without merit. That is the rock-bottom, from our point of view, of a GAI having positive virtue. If the GAI is below the poverty level, we would hope that it would include built-in increases over time to bring payments to levels substantially closer to the poverty line. Other Governmental policies could also be formulated for raising incomes, and it is toward some of these that we will now turn for brief comments.

## Employment.

4.12 We have noted that the bulk of people on public assistance are not employable. At the same time, it is true that as unemployment rates go up more and more employables are forced on to public assistance, and in fact lately the proportion of the population relying on public assistance in the Hamilton area, in Ontario, and throughout Canada has been soaring as a consequence of unemployment related to Government policies designed to curtail inflation. One measure that would assist in raising the income levels of those below the poverty line is increasing unemployment benefits, an area currently under discussion because of changes in pertinent legislation proposed for the Government by the Hon. Bryce Mackasey. Such benefits run the risk, however, of missing those people whose employment is so spotty that they are not entitled to benefits.

4.13 Another approach to employment policy would be to make Government the employer of last resort. Where a person could not find a job, it would be the obligation of the Government to provide work for him on request. Such a program has merit beyond income maintenance in that it enhances the self-respect of those who come under it. The guaranteed employment also assures accomplishment of work useful to the community.1 At the same time, one would raise the question of level of payment, where payment is below the poverty line for the average sized family. The issue is already pertinent in relationship to employment now, for Government and for firms and private agencies and institutions performing work for Government at all levels. Obvious examples come to mind in such areas as hospital work and institutional kitchen help. Public welfare payments are universally below the poverty line, and public employment are universally below the poverty line, and public employment frequently is. Comments made in a U.S. examination of public assistance are pertinent in Canada, both in regard to public assistance and in regard to public employment

and employment in bodies reliant on contracts with Government at all levels:

Public assistance payments are so low and so uneven that the Government is. . a major source of the poverty on which it has declared unconditional war.'

Clearly, public assistance benefits need to be increased if public assistance programs are not superseded. And clearly also Government sets a bad example by paying substandard wages and salaries or contracting with Canadian firms, agencies, and institutions who do so.

## Insurance Programs

The program of unemployment compensation insurance is under consideration, as has been pointed out. Canada Pension Plan benefits are due for a small increase, in 1971." These programs will actually increase poverty unless amounts do better than keep up with increased cost of living, and they are currently falling behind. Workmen's Compensation in Ontario is not really geared to provide income adequate to support a family. The insurance concept of compensation takes inadequate consideration of changing costs of living, especially in the case of the death of the bread-winner. The concept of compensation should include within it the notion of compensation adequate to meet the needs of the insured and his family. Otherwise, it is an insurance of poverty.

## Minimum Wages

4.15 Minimum wages often result in family incomes below the poverty line. Economists argue among themselves as to the extent that substantial increases in minimum wages will worsen the situation of low income people by removing marginal enterprises from the market, but minimum wages in themselves cannot solve the poverty problem because of the factor of family size. In 1969, just under 1 of the families in poverty in Metropolitan Hamilton were composed of six or more persons. To bring a 6 person family beyond poverty, we are talking of something close to \$3 per hour-more for larger families. If those economists are correct who do not fear a substantial decline in the number of employers if wages are increased solidly, an increase in minimum wages can solve part of the problem for the working poor, but only part.

## Family Allowances

4.16 In the Hamilton area, a substantial increase in family allowances would have an impact on the close to \$\frac{1}{2}\$ of the poor in large families (6 or more persons). If one compares what Canada spends on this program with what France spends, it is apparent that there would be nothing very extraordinary about payments substantially higher than the current ones.

¹While some see welfare recipients as "loafers", it is noteworthy that in the only instance known to us in which work requirements are set for recipients of public assistance and where work was actually refused (in St. Lawrence County, New York), the jobs required to be done were unreasonable in terms of illness factors, weather conditions, and protective clothing available, and the men offered to perform other work.

Betty Mandell. "The Crime of Poverty", in Social Work, vol. 11. no. 1, January, 1966, pp. 11-15.

<sup>&</sup>lt;sup>1</sup> Advisory Council on Public Welfare. Welfare Administration. U.S. Department of Health, Education, and Welfare. "Having the Power, We Have the Duty." Washington, D.C.: U.S. Government Printing Office, June 29, 1966, p. xii.

<sup>2 &</sup>quot;All Heart," in Toronto Globe and Mail, September 12, 1970, p. 6.

## TABLE 5

Percenta	age of	GNP	Paid	OUT	in	Famil	У
	F	Allowar	nces, 19	965			
Country							%
France 1							4.1
Canada 2							1.1

Source: Department of Economic and Social Affairs. Statistical Office of the United Nations. Year Book of National Accounts Statistics, 1968. New York, 1969, vol. 2.; Service de Presse et d'Information. Ambassade de France. The French Social Security System, n.d.; Alfred J. Kahn. Studies in Social Policy and Planning. New York: Russell Sage Foundation, 1969, p. 111; Quarterly Statistical Bulletin, vol. 2, no. 1, April, 1969 (Ottawa: Department of National Health and Welfare).

 $^{1}\,\mathrm{Assuming}$  GNP/National Revenue the same, 1962 and 1965.  $^{2}$  1965-6 fiscal year family allowance, family assistance, and youth allowance payments, 1965 GNP.

Family allowances in other Commonwealth countries tend to be a somewhat lower proportion of GNP than Canadian. Other Western European figures tend to be higher than Canadian but lower than the French.

## Taxation

- 4.17 One method of redistributing income is through the tax system. The tax system inevitably redistributes income in one way or another, especially in the ways it deals with exemptions and in the way in which it chooses its taxable base. Thus, a steeply graded income tax with little room for exemptions and exclusions tends to redistribute wealth to people of lower income, and the negative income tax of which we have spoken is a logical culmination of this principle. On the other hand, taxes applied at the point of sale or at the point of manufacture are apt to press inequitably, hitting hardest, percentagewise, those with the least. It should be of some distress to people that, as is shown in Table 4, over half the taxes collected in this country in 1968 were collected through indirect taxation (generally, regressive taxation), Modifications moving from indirect to direct taxation reduce the financial burden on the poor.
- 4.18 The question of how to make the income tax more equitable is in general inseparable from the issue of the form which other income maintenance is to take. For

instance, families earning too little to pay income taxes will not benefit from exemption provisions unless there is a negative income tax. One can also examine the possible exemptions with the thought in mind that some exemptions are more apt to be taken by the affluent than by the poor, and vice versa. For instance, taxation of capital gains will not hurt many poor people, but currently the lack of taxation on capital gains constitutes a regressive taxation burden on the poor.

4.19 It is unfortunate that the hue and cry raised throughout the country with regard to the Hon. Edgar Benson's White Paper on Taxation has expressed the concerns primarily of the affluent.

## Concluding Remarks

- 4.20 The preceding discussion has covered somewhat lightly a large number of considerations. Much more can be and has been said about GAI, taxation, family allowances, etc. in other places. Fundamentally, however, we are looking at questions of some fairly basic values about how we feel people in this country should live and about the tolerability of the current size of gulf between the haves and the have-nots.
- 4.21 We are of the belief that now is the time to bring in the GAI. We recognize that it is costly, but we feel that the blot of poverty on our national escutcheon must be removed, and we believe that a start should be made. Increases in our gross national product should be funnelled into raising income levels of the poor, so that in as short a time as reasonably possible every Canadian will have enough money for a reasonable level of living.
- 4.22 The gap in spending at all governmental levels to bring all Canadians at least up to the poverty lines which we have established is \$3.5 billion per annum. We have said that closing that gap immediately is more than we can expect. But, by sizeable, deliberate strides, using a variety of tools one of which should be some form of GAI, this gap can be narrowed and eventually closed. We, the Social Planning and Research Council of Hamilton and District, primarily concerned in the social welfare field, hope that Government might be able to realize these objectives. It would indeed be tragic if ten years from now thie \$3.5 billion gap (in constant dollars) or any really sizeable portion of it remained. The time to start is now.



Third Session—Twenty-eighth Parliament 1970

# THE SENATE OF CANADA

JE09 1970 ...

PROCEEDINGS OF THE SPECIAL SENATE COMMITTEE ON

# POVERTY

The Honourable DAVID A. CROLL, Chairman

No. 11

TUESDAY, NOVEMBER 10, 1970

# MEMBERS OF THE SPECIAL SENATE COMMITTEE ON POVERTY

The Honourable David A. Croll, Chairman

The Honourable Senators:

Bélisle

Carter

Connolly (Halifax North)

Cook

Croll

Eudes

Everett Fergusson

Fournier (Madawaska-

Restigouche, Deputy

Chairman)

Hastings

Inman

Lefrançois

MacDonald (Queens)

McGrand

Pearson

Quart

Roebuck

Sparrow

(18 Members)

(Quorum 6)

## Orders of Reference

Extract from the Minutes of the Proceedings of the Senate, Thursday, October 8, 1970:

With leave of the Senate,

The Honourable Senator Croll moved, seconded by the Honourable Senator Fergusson:

That a Special Committee of the Senate be appointed to investigate and report upon all aspects of poverty in Canada, whether urban, rural regional or otherwise, to define and elucidate the problem of poverty in Canada, and to recommend appropriate action to ensure the establishment of a more effective structure of remedial measures:

That the Committee have power to engage the services of such counsel, staff and technical advisors as may be necessary for the purpose of the inquiry;

That the Committe have power to send for persons, papers and records, to examine witnesses, and to report from time to time;

That the Committee be authorized to print such papers and evidence from day to day as may be ordered by the Committee, to adjourn from place to place, and notwithstanding Rule 76 (4), to sit during sittings and adjournments of the Senate;

That the evidence taken on the subject during the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Bélisle, Carter, Connolly (Halifax North), Cook, Croll, Eudes, Everett, Fergusson, Fournier (Madawska-Restigouche), Hastings, Inman, Lefrançois, MacDonald (Queens), McGrand, Pearson, Quart, Roebuck and Sparrow.

After debate, and—
The question being put on the motion, it was—
Resolved in the affirmative.

Robert Fortier, Clerk of the Senate.

## Minutes of Proceedings

Tuesday, November 10, 1970

Pursuant to adjournment and notice the Special Senate Committee on Poverty met this day at 9.30 a.m.

Present: The Honourable Senators: Croll (Chairman), Carter, Cook, Fergusson, Lefrançois, McGrand and Pearson. (7)

In attendance: Mr. Frederick J. Joyce, Director.

Also present: The Honourable Senator McNamara.

Motion: It was proposed by the Honourable Senator Fergusson and unanimously Rsolved:

That the statement made in the Senate by the Honourable David A. Croll, Chairman, on Wednesday, October 21, 1970, and that made in the Senate by the Honourable Edgar E. Fournier, Deputy Chair-

man, and the Honourable C.W. Carter on Thursday, November 5, 1970, be printed as part of the record of the proceedings of the Committee as a Progress Report.

The following witnesses were heard: Comité Des Assistés Sociaux du Québec (Committee of Welfare Recipients of the Province of Quebec):

Mr. Paul de Boies, President; Mrs. Suzanne Blais-Grenier.

The brief presented by the Committee of Welfare Recipients of the Province of Quebec was ordered to be printed as Appendix "A" to these proceedings.

At 11.20 a.m. the Committee adjourned.

ATTEST:

Georges A. Coderre, Clerk of the Committee.

## The Special Senate Committee on Poverty

## Evidence

[Text]

Ottawa, Tuesday, November 10, 1970

The Special Senate Committee on Poverty met this day at 9.30 a.m.

Senator David A. Croll (Chairman) in the Chair.

The Chairman: Honourable senators, our witnesses this morning are Mr. Paul de Boies, President of the Committee of Welfare Recipients of the Province of Quebec, and Madame Blais-Grenier, the technical adviser to that organization. They represent welfare groups in Montreal, Rouyn, Chicoutimi, Rimouski, Farnham, Shawinigan, and Quebec City—welfare groups working with recognized welfare authorities.

Before commencing with this morning's presentation, I would like to get the committee's approval for incorporating in our record the progress report on the activities of this committee which Senator Fournier and I presented to the Senate and to which Senator Carter contributed. Do we have a motion to have those speeches printed as part of our record of proceedings here?

Hon. Senators: Agreed.

The Chairman: There is another matter that needs some comment, and it is far too serious for this committee to ignore. On Thursday last in the Senate, Senator Martin made an intervention in the debate on the activities of the Special Senate Committee on Poverty. He undertook to administer what I can only construe as a warning or a caveat to the Special Committee of the Senate on Poverty with respect to its forthcoming report. He warns specifically that any views to the effect that the present welfare system—I shall now quote from pages 135 and 136 of Debates of the Senate, November 5, 1970:

... was unsuited to the contemporary needs of Canadians and generally was deficient, that it should be scrapped and replaced by some new program or programs which would end poverty.

are wrong and dangerous. His defence of the Status quo, I think, falls on deaf ears. There are two million people living under that system who will deny that assertion. We in this Poverty Committee know more about this than perhaps any of the other people who read the reports which were printed, because we saw the poor from coast to coast.

During the course of his remarks in which he vigorously defended the existing welfare system, Senator Martin made it clear that he was speaking on behalf of the Government. In essence, to my way of thinking, he was endeavouring to bring the Government to bear upon the deliberations and conclusions of the Poverty Committee prior to the filing of its report. It was, in short, an

unfortunate attempt to qualify in advance the independent judgment of the Special Committee.

I did not, in any way, challenge the right of Senator Martin to speak in the course of the debate on my inquiry. He had every right to do so, but, honourable senators, it is unprecedented that he should attempt, on behalf of the Government, to influence the course of the deliberations in the nature of the conclusion of the Special Senate Committee on Poverty. In my own time, I recall no other instance like this. The approach of "big brother knows best" is unacceptable and resented.

We have pride in the Senate, on the excellence of our special committees and their reports. They have been credible, responsible and productive. For ten years we have tried to close the gap between the public and the Senate. We have been telling them that we can do it, in an investigatory field, better than a royal commission, that we are more objective, less costly, that we have capacity and productively and we can follow it up by recommendations. This intervention by Senator Martin may well destroy that concept.

I will not dwell further upon that, save to say that if the independence of such a committee is to be qualified or foreclosed in any way, its usefulness would be at an end.

I very much regret the nature of Senator Martin's intervention, which was not made in the Special Committee on Mass Media, or in the Special Committee on Science Policy, or in any other of the special committee reports on which the Government, I am sure, has some views.

The views expressed by Senator Martin have already been brought before the Poverty Committee. The views of the Department of National Health and Welfare and the views of the Canadian Congress of Labour, to which Senator Martin referred, have been put before the committee, along with the views of hundreds of other organizations. Nothing new was added as a result of Senator Martin's contribution.

I do believe that what he said was directed at the chairman, who has spoken out from time to time. But the chairman has been careful to speak out at the hearings or in the Senate chamber. I have been offered many many speaking engagements, which I have turned down. Sometimes I did participate in a radio or television interview immediately after a meeting was held, for the purposes of immediate news.

It can be said that I did speak in picturesque language, for the purpose of trying to point out the problem that is before us. But I was only trying to relate what others had said many many times, perhaps in not so concise terms. But never did I say what the National Council of Welfare said about the welfare system. If you remember,

the National Council of Welfare is made up of a cross section of Canadians from all walks of life, appointed by the minister to advise the minister. In their public report made on October 7, they said this:

The National Council of Welfare feels strongly that the provision of income support by way of means test and public assistance program is inherently degrading, stigmatizing and destructive of self respect having a debilitating effect upon the recipients and upon the children of recipients.

I can assure members of the committee that as chairman I do not intend to be influenced or diverted in my course of action by the intervention referred to. The terms of reference of the Committee on Poverty were fixed by order of the Senate appointing it. We have no alternative but to fulfil our duties without fear or favour. Yet I had to raise this matter. It could not be left that we were open to pressures—discreet or subtle or heavy-handed or otherwise. I do not believe that we are: in fact I am sure that we are not. But if we ignore what has already been said, there may be attempts at further interventions and of course that is unthinkable, from my point of view.

Senator Fournier, of course, had made his speech. It was very helpful. I wanted to thank Senator Carter for the reply he made, very quickly, and for the timely intervention by Senator Flynn. I will read from *Hansard* what Senator Flynn said:

Honourable senators, I shall be very short. We have listened with great interest to the remarks made by the Leader of the Government. It is quite obvious that he is worried about the Special Senate Committee on Poverty. And that he is already in disagreement in advance with the report that may be made, without even knowing what is in it. I suppose we must interpret this speech today as a message to the chairman of that committee, providing them with some guidelines.

No one could have said it better than Senator Flynn said it. He hit the nail right on the head. I have said what I said and what I felt I had to say today in order to make our position clear, so that we will not be misunderstood as member of a committee and our position will not be misunderstood in the course of our deliberations.

Now, we will get on with this morning's presentation and I would ask Mr. de Boies to proceed.

M. Paul de Boies, President, Committee of Welfare Recipients of the Province of Quebec: Mr. Chairman and honourable senators, with the kind permission of the chairman I will ask that we keep a minute of silence for all those who in Canada are wondering today where they are going to take the next meal and for all those children who are unable to go to school through lack of clothes and of food. (Pause).

Mr. Chairman and honourable senators, I know you have the English transcription in front of you. We wish to thank the chairman and the honourable members of this committee for having agreed to receive us. We wish, too, in the name of our committee, as is mentioned in our brief, to thank Mr. Joyce and Mr. Asquith who pleaded

our case so well that your chairman, Senator Croll, agreed to receive us today.

My comments will be very brief, as you have both the English and the French briefs of our committee.

First of all, our committee was formed two years ago in the City of Quebec because the unemployed and the social recipients wanted a voice in our political and social life, due to the fact that our syndicate, the C.S.M. or the F.T.Q. did not and does not want to take the part of the unemployed. The reason is that we cannot pay any cotisation to those syndicates. Last fall, our committee had some research done amongst 3,000 social recipients, with the result showing that 85 per cent did not finish their fifth grade; 90 per cent were not bilingual, could not speak English; and 65 per cent were in fact inapt to work, because they had been over a year, or in some cases two years, on social welfare. Because of that lapse of time on social welfare they became sick physically because of malnutrition, and housing conditions; and they became sick mentally because of the anxiety for the next day; and morally because they could not have from life what they should have.

I know this committee has heard much about poverty and received many statistics, but sometimes statistics lie. In the Province of Quebec we cannot accept that there are practically 600,000 social recipients. When I say 600,-000, I mean the children of the families. It is incomprehensible that in a country rich as ours we suffer the misery of poverty. The federal Government and the provincial governments say they do not have money for work or money for the minimum guaranteed wages. However, honourable members, you remember that in 1939 on the first week of August the prime minister of the time, the Honourable William Lyon Mackenzie King, in front of a demonstration here in front of the Parliament Buildings, said to the unemployed of the time, that the Government had no money for work or for the unemployed. But three weeks afterwards, when Canada declared war we found in a few minutes millions and millions of dollars to get our Canadians to go and get

I wonder if today our governments are not expecting the same thing. I wonder if they are not playing on the possibility that there is going to be a world war so that it will reduce the unemployed as it reduced them from 1939 to 1945. Honourable senators, I know that you cannot pass laws here and that the only thing your committee can do is to present a report to the Senate with recommendations. The only thing you can do is to put pressure on the Government so that your recommendations will come true.

In finishing, honourable senators, I should like to say that whatever you do you must do quickly, and I just point out the events of last October. We do not approve of those events in which Pierre Laporte paid his life for a belief that he had been fighting for in the Liberal caucuses; but in 1962 we laughed at Pierre Laporte for a speech he made to an optometrist convention at that time. I believe, however, that the words he spoke at that time will have impact today. He said:

Are we about to witness a scission between what are conveniently called the élite and the mass of the French Canadian people? Professional men, businessmen, members of our élite, act while there is still time. Otherwise, the mass of the people, like those of 1789 in France or of 1933 in Germany, will involve us in excesses, no doubt inacceptable, but partly attributable to our faults of omissions or commissions.

What is needed is basic reform at all levels: on the political level so that the people will not longer feel that the more things change, the more they remain the same; on the professional level so that the professional is no longer considered just as a moneymaking machine; on the social level so that in a country as wealthy as ours, the scandal of unemployment and poverty will cease to exist.

There are quite a lot of changes to be made, especially among our political parties, because, in our opinion, it does not matter which party comes into power because they are all the puppets of the capitalists and of the powerful financiers.

Let me tell you, honourable senators, that 10 per cent of the population controls the wealth of Canada. Ten per cent controls the economic and social lives of 90 per cent. Something must be done about that and be done quickly. We are not for violence. Our committee, and especially myself as a disciple of Gandhi, have won in the past many things, not by demonstrations, not by manifestations, nor by violence, but by hunger strikes.

I do not know how long the people are going to be patient, because in the mass of the population there is a kind of revolt, and we do not ask that there be a revolt or that there be a revolution except that we want a passive revolution in order to achieve a better world here in Canada for us to live in.

Mrs. Suzanne Blais-Grenier, Technical Adviser, Committee of Welfare Recipients of the Province of Quebec: Mr. Chairman, honourable senators, I only wish to add a few words to what Mr. de Boies has said. I am here today as a technical adviser. It would be a bit of an illusion to say that I am here only on behalf of my corporation. I was here a few weeks ago in that regard. But I wish to express today the support of my corporation for those people represented in part by Mr. de Boies, the people who, traditionally, did not speak about their desires, their fears, their fervent wishes to be heard and listened to and their wishes for more security. Always in the past some intermediary spoke on their behalf. We now know that they can speak for themselves, even though we still fear that they express views that go against our own. We want to encourage them to participate in every type of political and intermediary structure. We feel that our society needs this participation, needs their action to become really a democratic society and to represent all classes of our Canadian society.

We want these people to participate and we feel that by their participation our society will take care much more of the real values of solidarity and humanitarianism. Senator McGrand: Mr. DeBois, your group represents selected areas of Quebec.

Mr. de Boies: Yes.

Senator McGrand: It represents Quebec City, Montreal, Chicoutimi, Rimouski and Farnham. You mentioned that 85 per cent of the children in the survey that you made had not passed grade 5.

Mr. de Boies: I was referred to social recipients.

Senator McGrand: That is what I meant: social recipients. In what areas did you make that survey? Was it done in the areas of Farnham, Chicoutimi, Rimouski and so on?

Mr. de Boies: Of the 3,000 people in the survey, 500 were from Quebec City, 500 were from Montreal, and the remainder were from Chicoutimi, Rimouski, Granby, St. Jérôme, Shawinigan and Three Rivers.

Senator McGrand: You must have done a lot of research with respect to this survey, and I suppose whatever figures you have would be available. I tried to get figures before, but I never received a reply to my request. I should like to know the number of families on relief or welfare in that eastern part of Quebec which we call the Gaspé, which starts at Kamouraska and Témiscouata and goes down to Bonaventure. How many families are on welfare in those places or in that area?

Mr. de Boies: Honourable senators, it is pretty hard to answer that question because we cannot get the statistics from the provincial or federal departments of welfare. Perhaps Mrs. Blais Grenier has them.

Mrs. Grenier: No.

Mr. de Boies: Even the Conseil du bien-être du Québec does not have the information. I might tell you, though, just to give you a small idea of the situation, that in Quebec City in the St. Roch parish there are 1,200 families who are staying in that parish. Of that 1,200 there are 875 families on social welfare. There are also 1,092 single men who are living in rooms in the parish of St. Roch. Of those there are 900 who are on social welfare.

In Quebec City again, taking from St. Roch Street to the ferry to Levis, up to Champlain Street, 22 per cent of the population there is on social welfare. In what we call the Quartier Latin, between Cote de la Fabrique to Des Remparts, from Pointe St-Charles, from the hotel to the hospital, 32 per cent are on social welfare.

Senator McGrand: We were in Quebec City and heard all this when we were there. When we were in Rimouski I was told there were 750 heads of families on welfare in the City of Rimouski, and about 1,000 more in the County of Rimouski. We have got a lot of information on Quebec and on Montreal, but slight information on Rimouski, and I would like to know about those other counties I have referred to—Gaspé, Matane, Bonaventure, Témiscouata and so on. Your committee must have done some research on this. If you did not you cannot answer.

Mrs. Grenier: It is not a political research committee, it is an action committee.

Senator McGrand: When I say research I mean investigation.

Mr. de Boies: First of all, we do not have the money. The committee did not go from door to door to see whether people were on relief or not. We tried to get the statistics but we could not. It is very hard to say. The Department of Labour and Immigration give monthly statistics on unemployment for all the cities of Quebec. That is where we get our statistics from.

The Chairman: The information is not available, senator, and he is quite right, that they will not give them those figures.

Senator McGrand: I thought the Department of Welfare would have these statistics.

The Chairman: No, they have not got them, because we have a great deal of trouble obtaining them for ourselves.

Senator McGrand: I know I have written to them and have not received a reply. Mr. de Boies, you mentioned the figure of 200,000, and then the figure of 600,000. I take it the 200,000 would be heads of families and 600,000 would represent the children.

Mr. de Boies: The dependants, because the children in families on welfare are dependent.

The Chairman: That answers the question.

Senator Pearson: Has your group ever attempted to get a plan of work that you could get the federal or provincial government to engage in to use and employ these people that you say are unemployed? Have you got a plan at all?

Mr. de Boies: Last November we had a hunger strike for 12 days. By that hunger strike we succeeded in having created in Quebec City a commission for the return to normal life. We are bringing pressure upon the provincial government—we have not yet made any impression on the federal Government, but that will come—to establish in every grey belt a commission for the return to normal life. We succeeded, with the help of La Corporation des Travailleurs Sociaux Professionnels, and Mrs. Grenier has brought lots of pressure on the government through le Conseil du bien-être de Québec. We have succeeded since January 1 in getting a commission for the return of the normal life in Trois-Rivières, Pointe St-Charles and Maisonneuve-Hochelaga.

The Chairman: That was not the question the senator asked you. He asked if there were any plans you had presented to the government for providing work. Would you like to answer that?

Mr. de Boies: When we met Mr. Castonguay on August 5 we suggested there should be some co-operative established in the grey belt, a co-operative so that we could get unemployed at work.

Senator Pearson: What type of work?

Mr. de Boies: As a labourer. We thought it would do similar things to employment offices such as Office Overload. But we can't do that, because what we should have in all the grey belts is a community centre where there are health services, education services and employment services. But we ain't got that in our hands. The only thing we have got is the small local. We ain't got the people to do research, because we ain't got the money to employ the social workers.

The Chairman: Don't worry about that. He is not expecting that from you. The point of the question was this. Are the people prepared to work? Are they ready to work? What work can they do and what suggestions have you made for work? Now, would you stay on that point.

Mr. de Boies: Yes, they are ready to work. They will take any kind of work if they are able to do so, with decent wages. We had an experiment in St-Roch, which I think one of the senators heard about. We had an experiment there with 50 unemployed. They were making brooms and mops but they did not have any machinery, and we did not have the money to buy any, so we asked the welfare department of Quebec to give us a grant. They agreed to give a grant, but they took control of it and it failed.

Senator Pearson: You did not get it going at all then?

Mrs. Grenier: Yes, we got it going.

Mr. de Boies: Yes, it was going pretty well. Those people were making at least between \$55 and \$60 a week, but the machinery we had was not sufficient for the orders which we received and we also did not have the money.

Mrs. Grenier: May I add something to that, senator? As a society I do not think we quite agree that people would not find work by themselves. I don't think we agree as a group that they should take their destiny in their hands. Once they have lost their jobs we feel that they are not good enough to manage their own lives any more. In my opinion, the problem of the social welfare recipient is that they do not have the confidence of the authorities to administer their own life and economical situation.

Senator Pearson: They have lost their own confidence as well.

Mrs. Grenier: Partly, and it may be due in part to the attitude of the authorities. We always felt that they could not express themselves or do anything for themselves. We have to talk for them, act for them and they feel that they do not have anything to contribute to society any more so they just wait. I feel the experience of St-Roch is a good reflection of that state of mind. It is not only the Government, but the population at large. Our structure is too complicated to help them to get back into the old structure. We have to have such a big, complex administration and so many reports. The administration is so large that they get lost. We also give them consultants who do not speak the same language. These people do

not get the incentive to work and manage their own affairs, thus they finally drop out of the project. Is that clear?

The Chairman: It is clear.

Senator Pearson: That fairly well answers my first question. My second question is: do you think the present technological change has dispossessed most workers of their jobs? With their education they are not able to carry on in a new type of industry.

Mr. de Boies: To answer your question, courses which have been given in co-operation with the federal and provincial governments and which are called Cours de Recyclage have educated those who have only reached the third grade to progress into the ninth and tenth grades and to follow a course of three or four months. What happened? Most of them knew that two plus two makes four. They also learned to speak a little better French and have some notion as to how to say yes or no in English, but they entered the market unprepared. The unemployed actually are not prepared for the work market.

The majority of welfare recipients, particularly those over 30 years of age, do not have the necessary qualifications for the labour market.

To re-educate them, one must prepared them, that is, train them in specialized fields so that they may obtain employment on the labour market. Like the courses I was talking about a moment ago, they are overloaded and they are unemployed. We are giving courses on welding to 1,000 unemployed which they could not find because it was completely full already and there was a surplus.

Senator Cook: Isn't education compulsory in Quebec?

Mrs. Grenier: It is compulsory for the students up to the age of 16.

Senator Cook: Why are there so many in Grades 3, 4 and 5?

Mrs. Grenier: It is a situation that was endured for many years. It was compulsory, but there was not enough school facilities 20 years ago and now we have to feed back. Most of the people of 40 years of age who are welfare recipients only reached a grade below the fifth. With the federal-provincial programs of Recyclage—of getting back to work program—they start from the fifth grade and go up to the ninth, but what does it give them for the work market? It does not give them anything because the ninth grade is too low. It is too low even to finish at the CEGEP level.

We are in a situation of hypocrisy because we feel we are doing something for people and in fact we are not doing much. We do things naturally, but we do not get them back to work.

**Senator Fergusson:** What grades do they have to have in order to be eligible to get further grading?

Mrs. Grenier: For special programs they can start with the third year grade, but the silly thing is that they do not train them for a special trade; they train them for a general education. In other words, they go from the third grade to the tenth or maybe the twelfth year and they are educated. What good is it?

Senator Pearson: They are not educated for jobs.

Mrs. Grenier: We also say that they do not want to work, and this is untrue. They do want to work, but they do not have work to give them. It may be explainable by complex technology, but it is not their fault.

Mr. de Boies: You say that to be employed and sweep the floor in industry that you have to get the ninth or tenth grade and besides that you must be bilingual. I ask you, Mr. Chairman, and honourable members, if one can sweep the floor better in English than in French?

**Senator Cook:** Is the situation as bad now for the children? You say 20 years ago that they were just coming out of school in Grades 3 and 5. Is that situation still the rule?

Mrs. Grenier: I feel that the point made by the mémoire of the corporation two weeks ago is that the children of the grey belt are better educated, but we do not feel that they will get more than children of the middle class.

The Chairman: Senator Cook asked a very important question. Since 1965 or the early sixties surely the education system in the Province of Quebec has changed. Please explain it exactly to us. You said at one time that they did not enforce the education because they did not have the schools and teachers, and that they have made a great jump forward.

Mrs. Grenier: We did make a great jump forward but I do not feel that the market for jobs has expanded.

Senator Cook: That is another question.

Mrs. Grenier: The improvement is that most of the children are going to school now. They are starting with that retard or handicap of about one year. As soon as they get to three years old they get that handicap on verbal capacity, on stimulus for the opening of their intellectual potentialities. So they get to the first grade of school with maybe two years missing, compared to the children of the middle social class, the middle of society.

Senator Cook: The problem is being attacked and something is being done about it.

Mrs. Grenier: They tried to do something but the efforts are so few compared to the amplitude of the problem. They are trying to have a nursery school to get the children before Grade 1. They are trying to make all sorts of experiments to have the children get some chance, as other children of society do. But in fact I think it is that we do not do enough. So when those children who started school in 1965 get to the end of the CEGEP they will be late compared to the child of the middle class or children of the middle class with whom they will have to compete on the work market. They do not know very much, and they have this lack of verbal capacity,

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lack of ability to express themselves, to present themselves. It is not only a matter of competition in society. I feel we should do more for them and for those children and that is the real problem.

Senator Cook: At the present time, because of the previous deficiencies or previous methods there is a very large group of men and women, even boys and girls, from 18 to 19 upwards, who are badly educated.

Mrs. Grenier: It is true, I do not have the statistics but in regard to the unemployed, if we take the age group the largest is 19 to 25 years of age.

Mr. de Boies: And it is 42 per cent.

The Chairman: It is the biggest portion. Of course that is not quite true across the country.

Senator Cook: In order to retrain them, they have to go back to school first.

Mrs. Grenier: You know what they do. They finish school and start retraining right afterwards.

The Chairman: What do you mean by saying they finish school?

Mrs. Grenier: They finish school in June in Grade 12 but they have to start back about four months or six months later because they are not able to find work.

Senator Cook: That is the present group, those coming out now?

Mrs. Grenier: Yes, right out of school.

Senator Cook: But taking the young men and women age 20 to 22, not the older ones, if you want to retrain them, they have to go back and get their Grade 8 or Grade 9, as the case may be, at school.

Mrs. Grenier: Some of them have the grade, but they do not find work, and they have to go back to school again to take some other type of education, and we have to give them some other sphere of education. We even have teachers now. There are 900 teachers who are unemployed in the Province of Quebec at present. It is good to develop education but if you do not develop a market for it this does not work out.

The Chairman: Where did all those teachers come from uo suddenly? There was a shortage in Quebec a year or two ago. Are these new graduates?

Mrs. Grenier: I think we have to relate that to the demographic change—how could I translate it?

The Chairman: Say it in French. The interpreter will translate it.

Mrs. Grenier: We had a population increase which suddenly resulted in more children in the schools. At the time, we were short of teachers and most of the young people finishing the CEGEP entered teaching because this

was a profession offering work opportunities. The population increase is now subsiding somewhat since there are fewer children in the schools and there will be even less after 1975. With fewer children, school attendance will drop and there will be fewer jobs for teachers.

The Chairman: In what respect has the distribution changed? You keep speaking of demographic changes. In what respect has that distribution changed from now from a year or two years ago?

Mrs. Grenier: I would not be sure of the exact date.

The Chairman: Never mind the date.

Mrs. Grenier: My profession is completely in demographic assessment. Since 1958 the natalité—birth rate—has gone down a lot, because of the influence and the ways to stop natalité.

The Chairman: Would that affect the school?

Mrs. Grenier: It is starting now. It is starting at the beginning of 1969 and it will be going down for a few years.

The Chairman: The same thing is true in other parts of Canada.

Mrs. Grenier: I think it is true, but in Quebec the problem is affected by the fact that there is the problem of the poor and that the education before 1955 was not of too much value, and that it has got to be of value. Everyone wants to be educated. Everyone thinks that with some education they will have a job, a permanent job with some security. Yet when they get to the market they cannot get a job. That explains much of the tension that we have.

Senator Cook: Are these newly qualified teachers?

Mrs. Grenier: Some of them are very newly qualified, since 1968-69. I can give one example. I had a call from a girl who finished in June, qualified in teaching, who wanted to start teaching in September but could not get a job, so she asked me if I would take her as a domestic in my house. It is incredible to lose so much energy and potentiality and not to be able to utilize that, to use it, especially when such a great part of our population is in need of it.

Senator Carter: I think that what happens about teaching is that they have a shortage and are training too many. But when that happens, this is the sort of thing that puzzles me about it—when that happens, the better qualified ones get the schools and the poorer teachers are put out of work. That is bad for them but good for the children. The children have better teachers. Is that not right?

Mrs. Grenier: I do not think it is even that. I would be very glad if it were so, but I do not think it is so. In some parts we have had an overload of teachers, such as in French literature, and some of them are university

graduates. That can explain part of the unemployment rise. But there is another point also. They do not want to leave Quebec. They want to make their lives in Quebec. They feel they do not possess English language and English culture. It is not that they could not find work outside Quebec but they feel they want to stay in Quebec and make their lives there. They were told some years ago that by education there was a way for them to make their lives in Quebec.

Senator Carter: You do not have the whole 600,000 in your welfare committee, do you? How many do you have?

Mr. de Boies: We do not have any structures. We do not emit any membership cards, because we do not have any cotisations. We have the support of all the social welfare recipients of the Province of Quebec. We can say, however, that we had the real support, because to our meetings, from those who were attending the meetings, and we could count between 6,000 and 7,000 social recipients.

Senator Carter: When you have your meetings what do you do? Do you discuss your problems? Do you take action on the problems?

Mr. de Boies: Yes.

Senator Carter: What kind of action do you take?

Mr. de Boies: I do not want to displease Mrs. Blais Grenier, but in our committee we do not have any social animators or social workers.

Mrs. Grenier: Good for you.

Mr. de Boies: Because we really thing that we do not need them. You see, since quite a number of years ago it was always social workers and psychologists who took the part of the unemployed. We are now trying in our meetings to discuss our problems ourselves. It is the members themselves who are attending the meetings who discuss their problems, and we are trying to find some realistic and adequate solution to those problems.

If there is a plan of action that we can see then we take it, and we have succeeded beyond our hopes in some cases. For example, we are proud to say that we succeeded in having the new Bill 26 passed on the 1st of November instead of having to wait for it until the 1st of January. We succeeded in September in getting on to welfare those single unemployed people who did not have fixed domiciles but who were staying in missions. They could not have welfare before but now they can get it. We also succeeded in getting free medical treatment for social recipients.

The Chairman: Senator Carter, you remember the brewery mission?

Senator Carter: Yes.

The Chairman: They have it now. I had quite a talk with Mr. de Boies and Senator Fournier (Madawaska-Restigouche) before deciding to call Mr. de Boies here. I

must say there is something unique here. There is no appeal board in Quebec so that if Mr. de Boie has a grievance he goes on a hunger strike or something like that in order to try to attract attention. But instead of that now people in the position of Mrs. Blais Grenier, that is, people who are in charge, have told the social recipients to form themselves into groups so that they would hear their grievances through the groups' own spokesmen. So they have these committees in these various cities, and it is a kind of loose organization. But they are a safety valve for the welfare people and there is a symbolic relationship—Mrs. Blais-Grenier is in charge and Mr. de Boies is a recipient and they try to understand each other, that is very useful.

So instead of somebody else speaking for the social recipients, they do their own speaking. It was on the strength of that that I had them come here today.

Senator Carter: I fully agree that that justifies their appearance here.

Now, Mr. de Boies, you talk about having 200,000 people looking for jobs. Are these 200,000 people all able-bodied and capable of working? Or does the figure of 200,000 include the sick, the old and the physically-handicapped who are not capable of work even if there were jobs?

Mr. de Boies: One must face facts. Of the 200,000 unemployed in the province of Quebec between 50 per cent and 60 per cent are unable to work. I am afraid I cannot speak English as well as French.

The Chairman: You do all right, but speak in French, if you prefer.

Of the 200,000 unemployed in the Province of Quebec we can say that between 55 and 60 per cent are incapable of working.

Senator Carter: So of the 200,000 people who are unemployed, only about 80,000 or 100,000 are able to work. The rest would have to be on welfare in any event.

Mr. de Boies: Not necessarily. There is something more that should be said here, because even those people who are physically-handicapped could be capable of doing some work, if they had the opportunity. The government, through our industries, could find something for those people to do in their own homes. It would not matter what it was that they had to do, even if it was just a small thing lasting only an hour per day; the fact is that, if they had something to do, those persons would find themselves, would have motivation in life and would have a return of human dignity and respect and would be able to say to themselves that they were useful to themselves first, then useful to society, useful to their province and useful to their country.

Senator Carter: I agree that that would be good. Do you have what we call home industries in Quebec, industries in which people who cannot get out to work in the labour market can do a little work at home every day?

Mrs. Grenier: No, we do not have much in the way of that. But I must agree that that would be in part a solution.

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The Chairman: Do you not have wood carving?

Mrs. Grenier: Yes, we have a sort of folklore industry in that respect, but it is very small.

The Chairman: Do you have textiles?

Mrs. Grenier: We have hand-made rugs and wood carving and things like that, but, as I say, it is only for very few people.

Senator Carter: You have knitwear?

Mrs. Grenier: Yes, especially in the area Senator McGrand was referring to, the Gaspé peninsula. There is a little home trade like that up there.

Senator Fergusson: Do they get any support from the government or do they have to run things by themselves?

Mrs. Grenier: Not really. The government built some stores where some of the better-made goods could be sold, but the government does not support them in any way.

**Senator Fergusson:** There is no department that supports them.

Mrs. Grenier: No.

The Chairman: The tourist department does not?

Mrs. Grenier: It does for a few of them. They buy some articles and put them in stores, and if the articles are sold then they get the money.

Senator Carter: A few minutes ago you were talking to Senator McGrand about some co-operative or enterprise that you had going. Apparently you did not have the capital to expand and the authorities took it over but made a flop of it. It seems to me that that was something that had possibilities, because there are firms that will provide materials to people who have ability. For example, if a woman can knit, or if you can train a woman to knit socks and so on, there are firms which will supply the wool, and all the woman has to do is give the labour. She provides the labour and they provide the wool and then they take the thing back and pay the woman so much.

Senator Fergusson: Do you know how many of them are actually satisfactory?

Senator Carter: In Newfoundland we did a lot of that. We had an organization there that became known all around the world for that sort of thing. Naturally you cannot initiate that right away; you have to train people first. But it is then a skill that they have. Since you talked about people wanting to be useful and wanting to make a contribution, it occurred to me that this would be one way. After all, if they cannot go out and get a job in the labour market in a union, perhaps there are other ways that they can make contributions, and I am suggesting ways that might at least be explored.

Mr. de Boies: May I say, honourable senators, that to form those co-operatives is very difficult in the Province of Quebec, because of the syndicate.

The Chairman: I think you are saying a co-operative is the same thing as a syndicate.

Mr. de Boies: Mrs. Grenier was with us when we met Mr. Castonguay on August 5 and were discussing this. He himself is ready for it, but he said they cannot go ahead with this co-operative because of the syndicate. I was talking to Mr. Joyce and Senator Croll last Monday about this. It is like in Winnipeg, where they experimented in the welfare offices, hiring recipients of social welfare, and they are doing a beautiful job. They are going to extend it to all of Manitoba. When we met Mr. Séguin, the director of the Montreal welfare, we proposed that to him, but he could not do it, not because he does not wish to but because of the syndicate.

The Chairman: Could you explain what you mean by the syndicate?

Mrs. Grenier: What is happening is that for certain jobs there are associations or syndicates, and you have to have a certain level of education and a certain competence. Even with the qualifications of your own personal experience you cannot get into industry or the welfare offices.

The Chairman: Are you using the term "syndicate" as a union?

Mrs. Grenier: It is the union.

The Chairman: Then you are not telling us anything new now.

Mrs. Grenier: That is the problem of translating English and French.

The Chairman: We understand that only too well.

Mrs. Grenier: With the union it is very complicated. What Mr. Séguin was saying in Montreal is quite true. I was at that meeting and we were saying that it would be good for people to be able to take their cases to former welfare recipients, who would understand all the implications of their case. He agreed, but said it would be very hard to get such employment in the City of Montreal, where I think they need grade 10 or some sort of specialized education to get into the welfare office.

The Chairman: To work in the welfare office?

Mrs. Grenier: Yes. It is good in part, because then it is a way of assuring people that these people will have more professional competence and be more capable of understanding the legislation.

The Chairman: They should be able to read and write in that position, should they not, and judge the applicants?

Mrs. Grenier: Yes.

The Chairman: You can understand that.

Senator Cook: That is the view the lawyers take.

Mrs. Grenier: I really do not know how for at least ten years we can provide these people, about one-sixth of the population of the province, with work under the present structure.

Senator Cook: You said you had a small co-operative making brooms, and then the government lent some money and it was a flop.

Mr. de Boies: Because the government took it over. It was closed for a year because they wanted to change it. Those who had been in charge, taking no wages, were thrown out and the government put in public servants to do the job. They tried with 23 first. We were only giving them a course in industry, and when those 23 finished the course after three months they promised them that they would have a job, but when they finished the course they were still unemployed, so they do not know what to do with it. In one year they spent \$125,000 for nothing. In a year they spent more on wages, only to get a flop. If instead they had given a grant, not to our committee but to some trust committee, I think we would have succeeded.

Senator Cook: How many were employed before you got the loan from the government?

Mr. de Boies: We started with 20 and after a year there were 120. Each of them was earning between \$50 and \$60 a week, and they were satisfied. Besides that, they were taking their own responsibility, they were their own boss, and they were taking the thing to heart, because if someone was not doing his work right or was absent for a day, the others told him he had better not be absent for too long because we would not only be losing time but losing money.

Senator Cook: That is the capitalistic point of view.

The Chairman: A good one, too, but it did not work out.

Senator Cook: I was wondering if it got too big. Sometimes there are lots of little things which are very good at a certain size, then when everybody tries to get in it gets too big and falls because of its own weight.

Senator Pearson: Who did you sell the brooms to?

Mr. de Boies: To stores and religious institutions. We had a contract with La Commission des écoles catholiques de la Ville de Québec, who were buying our brooms and mops. Perhaps, as the honourable senator said, we were thinking too big. We had so many orders that we were expanding, and we thought with that grant we could do it, but we never thought the government would take it over.

Senator Fergusson: Could you not have kept on at that level without expanding, just accepting the orders you could fill?

Mr. de Boies: Yes, but we started with 20 people, and after a month they saw things were going pretty good and thought they could make a kind of a living, and they were saying we could have about 500. But we were thinking too big; I accept that. But we were so willing, you know.

Senator Cook: At a certain point the problems of management come in and that is what happens.

The Chairman: More heart than economics.

Senator Cook: But it shows the desire to get at it, to work and improve.

Senator McGrand: Your work is mostly in places like Rimouski, Farnham, Granby and so on. Just leave Montreal; we have a lot of information about Montreal. Could you tell me something about the unemployed people in places like Rimouski, Granby, Farnham and Chicoutimi. Are they people who are native, who were born in those communities, or are they people who moved in from, say, rural communities round about?

Mr. de Boies: There are some which are coming into those cities from rural districts. In Granby, since two years, there have been many industries which have closed down which put some people out of their jobs and they are now on social welfare.

Senator McGrand: Especially the textile industry.

Mr. de Boies: Yes.

Senator McGrand: Have you been following the development which has been taking place at Ste Paula in Matane County? I am interested in that part of Quebec. I know nothing about northern Quebec, but I do know something about the Gaspé. There is at Ste Paula a sort of co-operative thing which has grown up from the people there. This is going to be shown on television at 10 o'clock on the French network. Can you tell me something about what is going on there?

Mr. de Boies: The Gaspé, no. You see, we are not doing research and there are many people who accuse us because we don't. Our way is to go right ahead today and not wait five or ten years so that their condition will be better off.

Senator McGrand: Do you know anything about that? Ste Paula is on the border of Matane and Rimouski. This is a strange thing, Mr. Chairman, but one of your committee had arranged that we take a look at Ste Paula on our way from Campbellton to Rimouski and we drove by it and did not stop. We did not have much of an opportunity to study the problems of that area. If any one of you understands French you would enjoy seeing that program at 10 o'clock tonight.

Senator Cook: The brief, which is a very interesting one, really points out the need for jobs with which we all heartily agree. Let us consider the possibility that in some time to come we may not have full employment. What, then, would you recommend?

Mr. de Boies: Honourable members, you have heard it many times, but we really think the thing which will bring better conditions is the minimal revenue guarantee. I know that it will cost some money. There are some people who will leave their jobs to go on social welfare because the head of a family with five or six children cannot make a salary like what he is going to get in social welfare. I am asking you gentlemen, can you blame the head of a family for doing this because he is better off on social welfare and will receive more than he will working? He can at least give to his family a little bit more comfort. If you take a family which receives \$340 a month. If the father worked he probably would only earn \$200 a month. Therefore, there is obviously a difference of \$140 a month. I do not blame them. It is better to be on social welfare and some are leaving their job.

I am saying that they are leaving their jobs because they know that they are going to get more money on social welfare, but with the revenue minimal guarantee they would not leave their jobs. As an example, say a single man gets \$1,800 a year and a mother with two children would get \$2,800 or \$3,000. The head of a family who is not earning wages during the year would receive the difference from the revenue minimal guarantee plan. For income tax the Government will receive part of that back. If a single man receives \$1,800 a year he will have to pay some income tax on it. Many families would pay income tax. This is the only way because full employment, and we mean in the real sense of full employment, we are dreaming. I, just like some economists, feel that the only way to fight or abolish poverty and misery is with the revenue minimal guarantee.

The Chairman: Would full employment do it?

Mr. de Boies: In a way this is impossible and dreaming because of those who are physically or mentally handicapped. There will always be those who are unable to work and it will be at least 3 per cent of the population.

The Chairman: We are not talking about the same thing. People who are unable to work and those who are handicapped for some reason are not in the employment stream. They have to be looked after separately. We are talking about people who are able to work.

Mrs. Grenier: Senator, do you not feel that we have quite a large amount of our population who are unfit to work due to their education or lack of qualifications? Even if you have a policy of full employment I feel there will be many who will be outsude the system and not be able to fight in the structure for a few years at least.

The Chairman: That has to be looked at. You are talking about unskilled and unlettered people who have no education or much of anything in the way of learning.

Mrs. Grenier: Yes.

The Chairman: But, the greatest growing employment opportunity in Canada has been the service industries. In the service industries education is not that important.

Mrs. Grenier: It depends on whether you have a union or not.

The Chairman: The union is not in the service industries to any great extent. Union has reached some, but not a great deal. Those vocations are open to a far greater extent. They are not involved in unions or too great skills and they are the largest growing opportunity in the whole country. Why shouldn't there be openings available over a period of time? That is where the greatest growth in employment is located.

Mr. de Boies: It is because when they ask for a new employee he must have a 10 or 11 grade education. There are not many jobs left. If you go and work in the bush or in the farm, they do not ask you to have Grade 10 or Grade 11. Even in some places just to be a dishwasher you must have Grade 10, and because of that you have to know English. We are coming to the conclusion that in the Province of Quebec, as we said in the brief, "we work in English, mais nous chômons en français".

Senator Cook: In all fairness, in some of these places where you say that you have to have Grade 6, is it not in the mind of the employer that you will get promotion? In other words, if some fellow goes in with Grade 5, that he will never get beyond that particular job. In many of these organizations you start at the bottom and in the final plan if you have ability you will get promoted so it is really not quite fair to say that you need to have Grade 11 to sweep the floor. You can go on up.

Mr. de Boies: You take the newspaper and look at the advertisements and you are going to see that they always ask for Grade 10 or 11.

The Chairman: With a loose market the employer is going to try to get as much upgrading as he can get for the same price, really more than necessary. We do it here. If you have seen some of the Government requests for positions, you see if you have got that many degrees, you will get it, but if you have that much sense you will still get it.

Mrs. Grenier: It is a matter of inches.

Mr. de Boies: Mr. Chairman, how many inches did you have on your nomination paper?

Mrs. Grenier: May I add something? When we had jobs, you did not request a great length of qualification. The insecurity is much larger because they can change easily from one to another. I think that in a year or two it is better for the industy to change the people because then they do not have to give them their pensions.

The Chairman: Today he does not have to worry, because whether a man is lettered or unlettered it does not make a difference, he still has to pay his 3 per cent for his pension. At one time he was afraid to take a man in because he would have to pension him. He can pass it over now to the Government very easily. That will improve in time. It is a great advantage.

Senator Pearson: Can I gather from your evidence today that you are thinking that too much stress is put on education.

Mrs. Grenier: Not enough stress put on education.

**Senator Pearson:** You say you must have Grade 10, that Grade 5 is quite sufficient to be a broom sweeper.

Mrs. Grenier: I think we are unrealistic in our society. I know the situation in Quebec. We think education is so glamorous that we cannot judge anything outside the value of education. We have forgotten that many people do not fit the standard and that we will keep these people for about ten more years.

The Chairman: You are doing a little contradiction. Senator Cook asked you a very vital question. The effect of his question was this, because of poor education in Quebec for many years prior to 1960 or 1958 they did not go to school, they dropped out at Grade 3, there was no one chasing them. The result is that up came a group which are now represented in the 18 to 25 class, who lack education, who are young people and just do not fit any place except in the most menial jobs. You agreed on that. But then you said that the new group now for 1960 on—we are forcing or making sure that they get a minimal of education, for tomorrow?

Mrs. Grenier: Yes, and that is good.

The Chairman: You agreed with that, but as I understand you now, you say that there is too much emphasis on education.

Mrs. Grenier: I do not think there is too much emphasis. I think we had to come to that in Quebec. We were very retarded, compared to other provinces, as far as education was concerned. I think we just forget that we have a period of time to come in and during that period there is a gap between what we want to give in education and what the market of jobs can absorb and that we have to make those two worlds fit together and that we do not succeed to do that.

Senator Cook: There should be more tolerance.

Senator Pearson: I would be glad if she could answer the question. You were speaking of these two worlds.

Mrs. Grenier: I think that it may be we are going on to that for five or six years.

Senator Pearson: You say they will fit in better later on?

Mrs. Grenier: It is not only the fact that people who have less education do not fit in the market now, it is that young people who finish with almost the pre-university level that do not fit in the system either.

The Chairman: It is not a matter of not fitting, you mean they cannot get a job. They are prepared to fit in, but the job is not available.

Mrs. Grenier: They should fit in.

The Chairman: What you are talking about is the lack of jobs in the community and particularly in the Province of Quebec. We are aware of that and we are very sad about it but we just do not know what the answer is.

Mrs. Grenier: To think that in the winter there will be 15 per cent of the people who can work and who are out of jobs.

The Chairman: It is about 9 now.

Mrs. Grenier: The 9 is the average, but there are up to the 12 in Abitibi and in Gaspésie. I know that in Ontario I saw the figures last week, that 30 per cent more recipients are on welfare this year. I know the situation all over Canada is getting to be about the same thing, but it is more hopeless in Quebec because of the situation we had previously.

The Chairman: Your welfare lists are up, to, the same as in other places?

Mrs. Grenier: Yes, but it is much more, due to the fact that we did not have enough.

The Chairman: I guess we did not get to our job any too soon in this committee to find out what it is all about. It is amazing the amount of information that has come out here for social scientist and for the committee.

If there are no more questions, I should like to thank you. This is our last meeting I wish to sum up for a few minutes before we close.

Mr. de Boies and Mrs. Grenier, we are very pleased that you came back to us a second time. You made a very good impression the first time.

Mrs. Grenier: I am taking the recommendation of the committee.

The Chairman: We think you represent something that is important, in that you participate in the life of the country. Though you are poor, you have as much right as anyone else; you are co-operative and you are trying briefs through the normal channels in so far as it is possible. We think that in time we will work out something for you. We do not make you any promises. This is our last public meeting and we are now going into committee where we have to prepare our report. You have been most helpful and people like you working through the system have been most helpful. We appreciate it very much, thank you for coming here and contributing to something that we think will benefit the people of Canada in due course. Thank you very much.

Honourable senators, since this is our last public hearing I wanted to sum up for a few minutes. You will remember that on October 8, 1968, I moved in the Senate that "a special committee of the Senate be appointed to investigate and report upon all aspects of poverty in Canada, whether urban, rural, regional or otherwise, to define and elucidate the problem...and, to recomend appropriate action to ensure the establishment of a more effective structure of remedial measures". The motion was agreed to on November 26 after a debate involving 15 senators. Committee members were appointed on January 23, 1969.

The public hearings began on April 22, 1969. Since that day the committee has heard from all federal and provin-

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cial government agencies who wished to be heard, and all did wish to be heard except two provincial governments. In addition to government departments, the committee heard briefs from professional agencies as well as community groups and, in some special cases, individuals.

The committee held 93 public hearings at which 209 briefs were presented by 810 witnesses. In addition, mem-

bers of the committee met with hundreds of the poor in their homes and at evening gatherings. The committee has travelled across Canada and in the Yukon; in all, 34 hearings were held away from Ottawa. I would be appropriate at this point to include a list of the out-of-Ottawa hearings.

## OUT OF OTTAWA HEARINGS

## OF THE

# SPECIAL SENATE COMMITTEE ON POVERTY

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November 3, 1969

November 4, 1969

November 5, 1969

November 6, 1969

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November 17, 1969

November 18, 1969

November 19, 1969

November 20, 1969

March 10, 1970

March 11, 1970

March 12, 1970

July 6, 1970

July 7, 1970

July 8, 1970

July 7th & 8th, 1970

July 20, 1970

July 20, 1970

July 21, 1970

July 21, 1970

July 21, 1910

July 23, 1970 August 3, 1970

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August 4, 1970

August 5, 1970

August 5, 1970

August 6, 1970

August 7, 1970

August 17, 1970

August 18, 1970

August 31, 1970

September 2, 1970

September 3, 1970

September 3, 1970

September 4, 1970

Place

Halifax, Nova Scotia

Halifax, Nova Scotia

Halifax, Nova Scotia

Charlottetown, Prince Edward Is.

Winnipeg, Manitoba

Winnipeg, Manitoba

Vancouver, British Columbia

Vancouver, British Columbia

Toronto, Ontario

Toronto, Ontario

Toronto, Ontario

St. John's, Newfoundland

Fogo Island

Cox's Cove, Port-aux-Port, Lourdes Area, Corner Brook

N/W Coast of Newfoundland to St. Anthony,

S/E Coast of Labrador

Edmonton, Alberta

Calgary, Alberta

Edmonton, Alberta

Whitehorse, Yukon

Whitehorse, Yukon

Saint John, New Brunswick

Saint John, New Brunswick

Ballit John, New Brunswick

Bloomfield Junction, New Brunswick

Moncton, New Brunswick

Moncton, New Brunswick

East coast of New Brunswick

Regina, Saskatchewan

Prince Albert, Saskatchewan

Quebec City

Edmunston, New Brunswick

Campbellton, New Brunswick

Rimouski, Quebec

Rimouski, Quebec

The Chairman: The committee began its hearings with the Economic Council of Canada, the institution which issued the challenge to the Senate of Canada, and, appropriately, the committee is concluding its hearings today by listening to representatives of those people who find it necessary to use the welfare system and whose very existence, in fact, depends on that welfare system.

It is well to remember that the Economic Council of Canada, even if it does represent the establishment, had in mind the poor of this country with whom they were very much concerned. The poor can take heart from the fact that the attention of the people of Canada is being called to the vital needs of the poor. So even if the people at the top are a little forgetful, and that applies to all of us in the middle-class as well, at least they are not entirely neglectful.

Now for the first time a Senate committee has specifically tried to reach out and listen to not only the people who make the system work but also those who make use of the system. At first the poor were rather reluctant to come forth, but their reluctance was soon overcome and long before we had finished our hearings the poor had come to feel comfortable with us, and I believe that we have their confidence and that they have placed a great deal of hope in this committee.

Over the last year and a half the committee has found that poverty in Canada is real throughout the land. No city, region or province is without its poor. The greatest number of poor are living in our growing urban areas. Their problems are exceedingly complex, reflecting the complexity of urban life. Some of the difficulties are created by our over-selling the attractiveness of urban life. Despite the enormous increase in Canadian affluence over the last decade, the gap between the poor and the rest of society is increasing in relative and absolute terms as each day goes by.

The low income worker, the aged, the handicapped, the social welfare recipient, the single head of family, is becoming more and more alienated from society which each is desperately trying to re-join. The poverty of our people, the unemployment, the 600,000 long term welfare recipients in the Province of Quebec, clearly indicate, as they put it in the brief, in their words, that we are becoming a nation of beggars.

One of the most alarming facts discovered by the committee is that the income maintenance portion of the welfare system is becoming a logical alternative to the economic system as a source of income. By this I mean that with a normal size family, a man who works for minimum wages would be better off on welfare. The income maintenance system, instead of being supportive. is becoming a logical and relatively attractive economic substitute for working, and we have made it so. Even with this competition between the economic system and the income maintenance portion of the welfare system, the incomes received from either source is below the poverty line of the Economic Council of Canada, and below the poverty line the committee is considering, one which is adjusted automatically for changes in the rising cost of living and standard of living. Therefore, even though both choices for the poor are inadequate, the choice of the welfare system is becoming more and more attractive.

The major cornerstone, and indeed the firm foundation, for any concerted effort to eliminate poverty is the absolute necessity to provide stable economic growth, which implies the creation of more than enough jobs to ensure full employment. Without jobs it is going to be almost a hopeless, uphill struggle. Given that a stable rate of economic growth with full employment can be created, we have found that this is only a necessary condition. It is not and will not solve poverty in its relative sense. It has denied and continues to deny the low income sector access to a decent standard of life in economic terms. But even more important, it will not guarantee access to a quality of life that the rest of us take for granted.

I think what is required is a net to catch all those who. for any number of legitimate reasons, are unable to provide themselves with an adequate income. These people are our poor. Their numbers are a disgrace. They are the elderly, who helped to build this society, the handicapped who are unable to compete, through no fault of their own, and the working poor, who strive and aspire, like all of us, to a decent way of life, but regardless of how hard they try they are unable to catch up. They are forever losers under our present system. Up to now we have always said that the fault is all with the individual. I think it is time that we looked around at the system and let it share some of the responsibility. For those who fall into this net we must provide, as a matter of right, a decent income and access to quality services which are easily obtainable.

How this long-term goal is to be achieved, and when it can be achieved, is still not clear. However, the committee will recommend some changes in programs to remove the currently existing anomalies and inequities; but, most important, the committee should provide a plan for the seventies, a statement of the challenges, the choices that are open to us as a society. This statement will include recommendations on changes to the income maintenance system in the service field, education, re-training, legal aid, medical aid and particularly housing.

One of the factors which has made our task, and that of research staff, much more complex is the shocking lack in Canada of research in the area of social development and the inadequacy of up-to-date statistical data. I can say now that there is a desperate need for more and better quality research. The tragedy is that this committee needs the research now and it is not now available—but they say that it will be in the future.

What needs to be done can be done. Everything does not have to be done today; it does not have to be done tomorrow; it can be phased. Our task is to draw a blueprint for a generation out of poverty and a plan for starting to phase it in now.

Our task is not going to be easy: it is going to require boldness; it is going to require courage; and it is going to require each of us to reach out for far horizons, and, to picture in our minds something of tomorrow and to try and plan for the future. I do not think this country will any longer be indifferent to the people's wants and needs. This committee has made one great contribution, in that it has brought the subject of poverty to the tables of Canadians and it has

As I have said before, reports like this ar not hatched; they are sweated out. I have confidence that the committee will now sit down for its deliberations and that we shall in our time produce a report—a great report, I think—that will meet with public approval and will help thousands of our fellow men out of poverty.

I can think of no greater reward that we, the members of this committee, can have in public life than being able to make a contribution of this consequence. Few people in their lifetime are given the opportunity to sit in the seat we occupy at the present time. A great number of people have hopes and aspirations and their future depends upon the decisions that we will make.

We are not bound to foregone conclusions; we are not pledged to shore up tottering dogmas. There is no blueprint to guide us; we have to make our own.

True, we will not write the law, but we will be able to mould public opinion in such a way that laws will be written that will make life easier for our fellow men.

Particularly I want to thank the members of the committee for your attention, your work, your devotion. You gave up all other committees and all other work, and put poverty on the conscience of the Canadian people. most of you attended throughout the hearings. I think your reward will come when finally we are able to present a report to the people of Canada that will be meaningful particularly to the Poverty Stricken.

The committee adjourned.

## APPENDIX "A"

Brief Presented to The Special Senate Committee on Poverty Tuesday, November 10, 1970, by The Committee of Welfare Recipients of the Province of Quebec

Mr. Chairman, Honourable Members of the Special Senate Committee on Poverty.

On behalf of our Committee, as well as on behalf of all the barefooted, the badly housed, the under-nourished and on behalf of the 600,000 welfare recipients of Québec, we sincerely thank Mr. Joyce, and Mr. Asqwith for having pleaded our case so well with the Honourable Chairman in order that we may be heard.

This brief, which we are presenting, was not prepared by social animators, or social workers, or by psychologists but by the welfare recipients themselves.

In Québec, during the course of history, the lower social class of the people found themselve together only in two places: in the street and the labour union.

From the insurrection of 1837 to the "Saturday of the Bludgeon", (samedi de la matraque), from the strikes of the "Knights of Labour" (Chevalier du Travail) to the revolt of Asbestos, from the mass movements against the depression and conscription to the march of unemployed and farmers on Quebec and Ottawa. C.N.T.U., Federation of Québec Workers, Catholic Farmers Union, popular action committees, we all recognized ourselves as brothers in the street: it is there that we recruit, we manifest and that we march. The labour unions are our organization; our power and the base of our self determination. We have to start from what we are and from what is our own.

But street movements alone are transitory, for a short period and easily squashed. This is the reason why the welfare recipients grouped themselves in order to have a voice to express their grievances and their problems, as well as their aspirations and also a better participation to public affairs, and to take control of their destiny, and also to find an adequate solution to their problems, and also to dialogue with the proper authorities. Moreover, we are trying to interest our leaders and the people at large to the problems of poverty. And also to kill this myth whereby welfare recipients are lazy and thievish. We are welfare recipients not because we are lazy but because our leaders and society deny us the right to work.

Honourable Senators, there are in the Province of Québec, well over 200,000 unemployed; you will admit that it would be exaggerated to say they do not want to work.

Consequently, the 600,000 welfare recipients of Québec live in social injustice and inequality; each one of us lives or rather is subjugated by the situation because he has no hope of ever getting out of it.

They are the unemployed, the welfare recipient, the needy mother, the widow with no right to work, with no right to savings. They are the fathers, with no right to private family life and without the right to normal and complete education for their children.

We are therefore, dependent of a society that keeps us in isolation, idleness and passivity. But it is our strong will to be productive and to participate by dialogue to the public affairs concerning us.

Welfare recipients are thieves. We admit that a minority cheats to obtain a few extra dollars. May I call your attention to the fact that those arrested for fraud were officers of the Department of Welfare and false poors—we know the sharks of finance, we also know the sharks of poverty.

The civilization of today proletarize or under-proletarize more and more strata of society. We are repeating in Canada, in the middle of prosperity, the world phenomenon that has brought about for humanity the most dangerous tensions known in history: the tension between the western world defending its privileges and the underdeveloped countries being lured by revolution and communism.

The under proletarization is not firstly a phenomenon of economic compression. It is a phenomenon of human regression, from a social standpoint; it is accepted by political authorities and gradually by public opinion. It may be characterized from the standpoint of the joint action of two factors, among many many more others.

Rejection from the labour world, rejection from the market of useful consumer goods (the bare necessity is assured by welfare payments) rejection from the world of organized leisures, rejection from the world of culture, rejection from the world of political activities and civic responsability, rejection from the world of personal property, rejection from the world of decent housing etc., etc. Gradual abandament at all levels. Subjection and dependency at all levels.

The hallucinated call of all these out of reach universes by the mass media; the lure of easy credit; simultaneously rapid increase of the standard of living.

Consequently: The disintegration of human dignity, of social responsibility of community involvement. Bitterness and resentment against all powers and, strangely enough, revolt against the powers who accept this state of affairs and give their blessing, so to speak, by giving welfare payments, which do not settle the problems of social rejection but on the contrary give a public status preventing it to be lethal.

Rapid disintegration of the family and acceleration of the process for the children of under-privileged families.

The fundamental problems are: material security in order not to be continuously faced with money problems. This means to be able to get the goods available by society.

Freedom: it is to be able to live one's life without depending on others, to be able to choose one's own destiny and also to influence the orientation of society.

Culture: it is the field of learning, it is to have knowledge, it is to have technical know-how for a trade.

In short, we want equality. By this we wish to affirm the dignity of every man, whether he is a welfare recipient, an alcoholic, a weak, a cripple, that he be 20-40-70 years old, that he be single or married, that he be a trained craftsman or a plain labourer. Equality does not mean uniformity, but equal opportunity, whether the person was born poor or rich, justice for all men.

Equality of opportunities, this means that sufficient means would be available to all to develop to the maximum, to be educated and have leizure.

Justice means to give to each individual the possibility to live decently and to attain his full development. Every individual is a man and his human dignity should be recognized.

Equality implies a fundamental right to work. We consider that work is a divine right, a natural right, a social justice right. This right to work should not be considered as a privilege for the affluent. Each man has the right to feel useful according to his means. Work should be more than means to earn an income but should also be a means to personal achievement in order that the welfare recipient be not forever dependent on society.

We do not want sympathy, pity or charity. Let us get away from this climate of welfare by means of soup tickets, alms, by recognizing the prime dignity of man. By so doing, with the help of all classes of society, from the man who, a wreck, we shall make a saver.

We are appealing to the élite, in the classical meaning of the word, to the élite of all classes of society.

In the slum districts, there is an unconscious and unknown élite. They are very intelligent persons, but sometimes with very little formal schooling, and in full posession of this treasure that is sometimes lost with extensive studies; common sense. We have discovered, in the Committee of the Welfare recipients of Québec, persons, who through their own poverty, have not quit, but have discovered the suffering of others and have made it theirs by continually fighting for the betterment of the under-privilged. This élite, among the poors, have indeed a low socio-economic level, but their moral and social level is much higher than the average of the population.

The "élites" of universities, of the political, social economic worlds and all spheres of society ignore the very nature of the problem which they perceive with much confusion. Most of the times, they were called for a subscription, a collection, a raffle, a distribution of Christmas baskets. They have given themselves good conscience by giving generously and this is often advantageous in income tax deductions or in publicity.

But what they don't know is that it is talent that should be redistributed more than money and that mobilization of efforts should be from the heart rather than the purse.

These "élites" are absolutely required to solve the problems of poverty. They have to be wakened up to reality, to invite them, to direct them toward an intelli-

gent and organic sympathy. They have to be called to bilateral responsibilities; that is to say responsibilities where they will cooperate with local élites by making a contribution of their knowledge.

10-11-1970

The State is not qualified to fulfill the role of educator when the objective is to reach in constant and friendly way the citizen to succeed in stopping the disintegration process and to make him take in his own hands his social upgrading. So much people are required to truly re-educate from the social and information standpoint that the State should ruin itself to pay the salaries of personnel so called specially trained.

The State has much to do. It has a role to play to make funds available, legal entities, specialized human organizations, in order to awake the people to their social responsibilities.

It must be required from the State the acceptance of the work and experiments of the Committees of Citizens, the support of this experimentation, the flexibility of their standards, confidence in local initiative, the ability to make projections and to make gradually generalizations and to give its blessing to the appropriate worthwhile legislation.

It must be required from the State that it always take into account the human and family standpoint in performing its functions and its refusal to consider the economic aspects only; moreover the State should learn, through popular movements, that the prevalence of human objectives is, in the long run, the best sources of economic yield.

Priorities against unemployment and poverty are: all citizen, whoever he may be, has an absolute and fundamental right to work. Work is the only means to man to acquire his liberty, essential condition to the status of free man and the very existence of democracy.

All citizen, whoever he may be, has therefore the right to a minimum guaranteed income, that he will obtain by his work or from the State (if he is unemployed due to a surplus of manpower or if he is handicapped socially, mentally or physically).

The poverty of our people, the unemployment situation, the 600,000 welfare recipients clearly indicates that we are becoming a nation of beggars. There is nothing more revolting than for a poor to see a rich living in the greatest comfort and luxury, when he is only asking for equality of opportunities, opportunity for full employment, in order that he may pay for his essential needs, which will allow him to be an asset to society.

A chasm is getting deeper and deeper every day between the "haves" and the "have-nots", a situation leading to revolt. Why not a law against the violence of "haves".

Efficient violence making them stick to their power, their privileges, they close their eyes on the inhumane conditions of the under-privileged, they exploit them and they control them in order to make bigger profits. Mr. Chairman, Honourable Senators, we consider that it is better to apply social remedy to the problems of poverty rather than to experience the plague of armed revolution.

In closing, we state that in Québec "We work in English, but we are unemployed in French". November 7, 1970.

Paul de Boies, Président.

Queen's Printer for Canada, Ottawa, 1970

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Third Session—Twenty-eighth Parliament 1970

#### THE SENATE OF CANADA

PROCEEDINGS OF THE SPECIAL SENATE COMMITTEE ON

# POVERTY

The Honourable DAVID A. CROLL, Chairman

No. 12

THURSDAY, NOVEMBER 12, 1970

PROGRESS REPORT

## MEMBERS OF THE SPECIAL SENATE COMMITTEE ON POVERTY

The Honourable David A. Croll, Chairman

The Honourable Senators:

Bélisle Hastings Carter Inman Connolly (Halifax North) Lefrançois

Cook MacDonald (Queens)

Croll McGrand
Eudes Pearson
Everett Quart
Fergusson Roebuck
Fournier (Madawaska- Sparrow

Restigouche,
Deputy Chairman)

(18 Members)

(Quorum 6)

#### Orders of Reference

Extract from the Minutes of the Proceedings of the Senate, Thursday, October 8, 1970:

With leave of the Senate,

The Honourable Senator Croll moved, seconded by the Honourable Senator Fergusson:

That a Special Committee of the Senate be appointed to investigate and report upon all aspects of poverty in Canada, whether urban, rural regional or otherwise, to define and elucidate the problem of poverty in Canada, and to recommend appropriate action to ensure the establishment of a more effective structure of remedial measures:

That the Committee have power to engage the services of such counsel, staff and technical advisors as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, and to report from time to time;

That the Committee be authorized to print such papers and evidence from day to day as may be ordered by the Committee, to adjourn from place to place, and notwithstanding Rule 76 (4), to sit during sittings and adjournments of the Senate;

That the evidence taken on the subject during the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Bélisle, Carter, Connolly (Halifax North), Cook, Croll, Eudes, Everett, Fergusson, Fournier (Madawaska-Restigouche), Hastings Inman, Lefrançois, MacDonald (Queens), McGrand, Pearson, Quart, Roebuck and Sparrow.

After debate, and—
The question being put on the motion, it was—
Resolved in the affirmative.

ROBERT FORTIER, Clerk of the Senate.

#### Minutes of Proceedings

EXCERPT FROM THE MINUTES OF PROCEEDINGS OF A MEETING OF THE SPECIAL SENATE COMMITTEE ON POVERTY, held on Tuesday, November 10, 1970.

Present: The Honourable Senators: Croll (Chairman); Carter, Cook, Fergusson, Lefrançois, McGrand, Pearson. (7)

In attendance: Mr. Frederick J. Joyce, Director.

It was proposed by the Honourable Senator Fergusson and unanimously Resolved:

That the statement made in the Senate by the Honourable David A. Croll, Chairman, on Wednesday, October 121, 1970, and that made in the Senate by the Honourable Edgar E. Fournier, Deputy Chairman, and the Honourable C. W. Carter on Thursday, November 5, 1970, be printed as part of the record of the proceedings of the Committee as a Progress Report.

ATTEST:

Georges A. Coderre, Clerk of the Committee.

### The Special Senate Committee on Poverty

#### Evidence

[Text]

Activities of Special Senate Committee

Hon. David A. Croll rose pursuant to notice:

That he will call the attention of the Senate to the activities of the Special Senate Committee on Poverty and in particular during the summer adjournment.

He said: Honourable senators, I very much enjoyed the speech made by the Leader of the Opposition. I enjoyed its content, its scope and its humour. As to its logic and possible overtones of politics, I will leave that to the Leader of the Government.

I have not prepared my text as I usually do. It is not easy to do much orderly thinking these days. One just keeps wondering whether it is all true. These are days of sorrow, shame and anger. Yet there is also courage and hope—yes, increased hope for unity—for, in our hour of need, a great Canadian rose to Olympian heights.

The vice-chairman and I felt that the new session of Parliament offered us an opportunity to speak to the Senate on some aspects of our study and on the problems that confront us in the Special Committee on Poverty.

This may be the last opportunity we will have before bringing in our report, although it is still some distance away. As far as I am concerned there is one particular document that was issued by the National Council on Welfare to which I will have reference. We have not forgotten that this house gave us a mandate to seek out the root causes of poverty and to recommend proposals for the short-term alleviation of them and their long-term eradication. The poor want some action immediately.

On June 25 of this year, as Chairman of the committee I gave a progress report which appears in the Senate Hansard commencing at page 1355. The committee was established in January 1969 and hearings commenced in Ottawa in April of that year. Up until we went out on our last tour we had visited and held hearings in the provinces of Nova Scotia, Prince Edward Island, Manituba, British Columbia and Ontario. After Parliament adjourned for its holidays in June, we set out on our last series of visits, and held hearings in the five provinces we had not yet visited. We also held hearings in the Yukon. For the duration of that series of visits weekly short resumés of the highlights of the meetings were sent to every member of the Senate.

Hon. Senators: Hear, hear.

Hon. Mr. Connolly (Ottawa West): And they were very good indeed.

Hon. Mr. Croll: Thank you. As we moved around the country we kept our eyes and ears open. When we

returned to Ottawa we had had a good look at the bitter face of poverty in its many forms: rural, urban, metropolitan, Indian and Metis. We did not like what we had seen.

During our meetings, which were always open and available to anyone who wanted to attend, we made it a point to make the poor feel that somebody cared about them and that not everybody was against them. Whatever other message we may have put across, that one we did get across to them. I believe we have been successful in holding out hopes and expectations to the poor across the country and in showing them that they must involve themselves in solutions, thereby helping us to help them.

We gave some particular attention to Newfoundland and New Brunswick and were very fortunate in having on the committee Senator Cook and Senator Carter from Newfoundland, and Senators Fergusson, Fournier (Madawaska-Restigouche) and McGrand from New Brunswick. This house little appreciates the prestige and respect which these senators command in their home provinces—just as they do among us.

Senator Carter took a small committee up to Labrador. What a trip! It is worth taking a look at the four or five pages of our Minutes that he wrote on the trip. You will find them very interesting. Senator Cook shepherded us to Fogo Island and other parts of Newfoundland, and that too was an interesting trip. It was an eye-opener for me, of course, because I had never seen that part of Newfoundland. One comes in contact with a sturdy, independent people there—a carefree sort. The coves and the little fishing villages and out-of-the-way places are fascinating. You see a country poor in resources but rich in values.

We in Canada have for a little over 100 years been trying to redistribute wealth, and we must realize that they have only really tried to do that in Newfoundland for the past 20 years. They need our massive help and we ought to be generous to them; they are trying to help themselves, and it is a struggle.

New Brunswick also received a considerable amount of our attention. I suppose that was mainly because of the three members of the Senate to whom I have already referred and who, I might point out, never missed a meeting and were perhaps the hardest workers.

New Brunswick is a province that tries hardest, particularly in the social welfare fields. Senator McGrand had been talking endlessly about the natural resources of New Brunswick, but until we saw them we did not really appreciate them. In the company of Senator Fergusson and Senator Fournier (Madawaska-Restigouche) we finally saw the great natural forest wealth of the country. It is rich land. And yet the people are poor. You wonder why that is so until you find out that those natural resources belong to the great pulp and paper corpora-

tions, and what they do not own they control, and what they do not control they influence. With equal impartiality, they pollute everything. It is not hard, then, to realize that New Brunswick has a special problem.

The young people of New Brunswick, just like the young people of Newfoundland, venture out, go back again and venture out again. When you do some thinking you realize that there in New Brunswick the way of life is one that is perhaps preferable to the asphalt jungles these people would have to face in other parts of the country. They lead their lives as they see fit, and they lead full lives. It is our business to make sure that we give as much assistance as we can to assure an adequate level of life there.

I will say little about the west other than to suggest that the developing parts of the country around Edmonton and Calgary are exciting, as are Saskatchewan and the Yukon. Those senators from the West who are on the committee were always present when the committee was in their provinces. Of course, they were present on other occasions as well.

I would point out that on occasion we were joined by persons who were not members of the committee. The Leader of the Opposition (Hon. Mr. Flynn) came and sat with us when we were in Quebec; Senator Michaud sat with us when we were in Moncton; Mr. Bell was with us in Saint John and Mr. Fairweather and the former leader of the provincial government in New Brunswick sat with us on one very eventful day-I believe it was in Bloomfield-when we stopped at a beautiful old church. It was a venerable place, and its minister had ideas. I believe he was called the "Pulpwood Padre". He impressed upon us the natural wealth of the province and what we ought to do about it. I was happy when the ladies finally brought in cookies and doughnuts. I think he might still be speaking, had he not been interrupted. But I must say he was an interesting person. You will find his brief on recordit is a good one.

Honourable senators, let me say something about the senators who came with us on this odessy and joined in the work. The three ladies on the committee were a particular delight; they gave us tone and they added greatly to the respect accorded to us. Other honourable senators referred to them as the "Senate sirens". But, as I say, honourable senators, they were there, tremendous respect was shown for them, and they made valuable contributions to the work of the committee.

I come now to the matter of public hearings. We held hearings here in Ottawa—and in passing I might mention that we held hearings yesterday, this morning and hope to hold one tomorrow morning. We plan to continue until the first week of November to complete our hearings schedule. Our research staff has been preparing studies and material for our consideration. The kind of report that we have to prepare cannot be hatched—it has to be sweated, and the sweating has already commenced.

Honourable senators, I have some other points to make. You may of course come to the conclusion that the chairman has made up his mind about some matters, and you may not be wrong. But I ask you to make allowances

for the fact that the chairman wants to be fair. He gives expression to his views—and it would be something new if he sat on the fence. While his opinions may not always be the best or may not always be right, he usually expresses them anyway. I would ask you to make allowances for that today, even if you do not agree with the views expressed.

Honourable senators, there are about 4½ million people considered poverty-stricken, according to the definition of the Economic Council. They are not hard to find nor are they hard to identify. Half of those 41 million people are what we might define as the disadvantaged, the aged, the disabled, the handicapped, female heads of families with children, relief-ites. These are all people who are no longer in the labour force as such. Then, the other half constitute what we call the "working poor". These are the unskilled, the unlettered, people working full time, part-time or broken time, who are on and off unemployment insurance, working at minimum wages or worse, and never earning enough money to get by on. There is considerable movement between these two groups. The disadvantaged are served by the welfare system which has just grown and grown and grown.

Those appearing before us were unanimous in the view that the public welfare system has broken down, mired in bureaucracy and suffering from lack of leadership. It has failed in its ability to achieve humanitarian ends, and the public capacity to finance it in its present form is in question. The welfare system has failed for another reason; that is because it was considered a supplement to the economic system to provide for marginal people. It was never designed to supply basic needs for a large number of Canadians. I have been quoted as saying that the welfare system is a mess. That was some months ago, and now on reconsideration I think it is an impossible mess! It is too late for reform—it is beyond reform. It is too late to apply poultices or bandages or even to attempt to modify it. It is useless to try to make changes in the system because of citizen hostility and recipient anger. Its situation is now such that efforts to change it. even if such efforts should result in its betterment, are no longer possible and just would not be believed. It has infected generations of Canadians and plagued our society. I think we have to face up to that situation.

We have been considering this situation in committee, and so far as I am concerned I think the only solution is to scrap it. We must start all over again. We must begin anew. Then the question arises, do we have an alternative in the interim? I think we have.

Hon. Mr. Choquette: What is your alternative?

Hon. Mr. Croll: I will get to it. I would not leave you without one.

Hon. Mr. Choquette: I should think not.

Hon. Mr. Croll: I have just expressed my views about the system, but what do others say about it? What do people who are more knowledgeable about the system than I am think of it, and what do they say about it?

Some time ago the Department of National Health and Welfare appointed a National Council on Welfare. It is a newly constituted body of 21 private citizens to advise the Minister of National Health and Welfare on matters relating to welfare. In that group there are six categories with representation as follows: the low income groups, six; disadvantaged minorities comprising the black community, one; the Acadian community, one; the Métis community, one; the Indian community, one; social work educators, three; social service delivery system, one. Then there is the chairman, and five members interested in social service volunteer activity. These are the guests who came to dinner and this is what they had to say in a statement issued on October 7.

The National Council of Welfare feels strongly that the provision of income support by way of needs tested public assistance programs is inherently degrading, stigmatizing and destructive of self-respect, having a debilitating effect upon the recipient and upon the children of the recipient families.

Those are their words.

We look forward to the Federal Government's White Paper on Income Security, to the Report of the Special Senate Committee on Poverty and to what we hope will be a far-reaching national discussion which will encompass not only alternative mechanisms of income distribution, but the social values inherent in each of them.

Then they go on to say:

At present, however, persons in need are dependent upon programs of public assistance administered by provinces and municipalities and supported by the federal Government through the Canada Assistance Plan. Recognizing both the inherent inadequacies of this approach to income support and its being all that presently exists to meet the urgent needs of all those Canadians who suffer poverty in an affluent country, the National Council of Welfare has resolved as follows:

Then they discuss the costs and continue:

AND WHEREAS these conditions include that the province provide assistance to any person in need "in an amount or manner that takes into account his basic requirements",

AND WHEREAS "basic requirements" are defined by the act as "food, shelter, clothing, fuel, utilities, household supplies and personal requirements",

AND WHEREAS various provinces and municipalities would appear to have adopted policies and practices in clear violation of this condition, such as the exclusion from receipt of assistance of certain categories of persons in need, limits on the duration of receipt of assistance by certain categories of persons in need, and provision of assistance to certain categories of persons in need in amounts or manners which take into account less than all the basic requirements set out in the act,

We have been saying that across the country, in a gentle sort of manner, pointing it out as we visited each province, that a gap exists between the laws that guarantee the meeting of needs and their actual application. Failure to implement the legislation has weakened the very fabric of the system. Laws that are enacted and not enforced can only result in three things: militancy, protest and action.

Then they go on to say:

The existence of laws on the statute books does not ensure their compliance. Rights are established by law but defined and enforced by courts. Until recently, however, there has been virtually no use of the courts in Canada to ensure that the application of our welfare laws protects the rights established in them.

That is a statement made by a committee appointed by the Government, and I gave you their qualifications.

Federal Government money is spent on what we call basic needs, and they have been defined. These needs should be able to be met on the same terms and conditions in all parts of Canada. That raises the question of a uniform standard of basic needs across the country, as uniform as income tax. That in itself will involve the realistic distribution of Canada's wealth, which has not been the case for almost 20 years in so far as the poor are concerned.

We have always talked about the gap between the rich and the poor. What we are having to talk about in this country is the gap between the poor and the middle class. That is getting wider; that is something new and something that most of you can appreciate.

We had presented to us the view, and I think it has merit, that the basic needs of a family in Campbellton, New Brunswick, should be the same as those of a family of the same size living in Toronto or Vancouver; and that should no longer be a dream but a reality. There is not the slightest reason for continuing to justify the geographic inequities in the present system. There are provinces in Canada that say: "We will pay so much—period! It does not make any difference how many children you have in the family. Whistle for the rest from your municipality." I am not laying the blame on the provinces. The fault lies with the federal Government, and I will indicate why.

As we travelled throughout the country the only real difference in the cost of living, as we saw it in the cities, was that of rent. That could have some effect but, really, if we were a little more generous to some of the outlying districts the rest of us would not be greater hurt.

I said earlier that I thought we ought to be able to scrap the system completely. We could actually repeal every one of our social measures, with the exception of the Canada Assistance Act, the Canada Pension Plan and the unemployment Insurance plan, and meet every requirement under the basic definition of "need" in the Canada Assistance Act, modifying it to some slight extent. So, it would all fit under an umbrella rather than as now under a tent with 200 or so measures.

Hon. Mr. Connolly (Ottawa West): Would the honourable senator repeat that statement? It seems to be an important one. I did not quite catch it.

Hon. Mr. Croll: What I said was that the Canada Assistance Act provides for need, for basic need. It defines it. With a slight modification in the definition of need in the Canada Assistance Act we could repeal the welfare measures because they are basically for need, with the exception of the Canada Pension Plan and the Unemployment Insurance plan. They are contractual obligations, if you appreciate the difference.

That is a change, and when one talks about "change," the remarks of the Prime Minister in the Throne Speech debate come to mind, when he said:

The challenge today is not simply change—it is more the pace and the scale of the change. We must adapt now as never before. I believe strongly that no country is better able to do so than is Canada, for no country is more fortunate in its basic attributes.

What is the alternative? Well, I will start by saying what the alternative is, and then I will explain it in a few minutes.

The alternative is adequate basic income, a national minimum level of income. What do the  $4\frac{1}{2}$  million working poor need? The vice-chairman will have something to say about that when he speaks. They need employment. When they cannot get it, the alternative is income. They need services and incentives to continue to work. What is more, the provision of income should come from the federal Government, and the provision of services from the provincial Government. We have a vehicle for delivery of services in the Canada Assistance Act. Income and services must be completely and totally separated.

I have a few more statements here that are worth thinking about. They have come out of presentation from the committee. I said that the working poor number about two million Canadians. All honourable senators will agree that the head of a family who is working full time but earning minimum wages, or poverty-level wages, needs help. He has earned the right to some help. He is a producer, yet we have so structured our welfare system that it provides help for those who do not work, and denies help to equally needy working people.

I can see that that is sinking in. I can see that honourable senators appreciate the implication. There are thousands of people who see their neighbours drawing more for not working than they receive for working. That is a colossal injustice. We know that what we are doing is wrong, and yet we keep on doing it.

We have at the present time 250,000 heads of families who could qualify for welfare but who choose not to do so. The majority of them could not only qualify for welfare but they would be better off on welfare. For how long to you think that is going to continue? Welfare allowances have grown relative to the minimum wage to the point where for a family of average size the welfare

system is directly in conflict with the economic system, in that the individual could rationally choose the welfare system.

Some qualified and excellent welfare workers from Winnipeg appeared before the committee the other day. I should like to read to the house part of the record of what was said on that occasion. The witness was Mr. Clark Brownlee, Chairman of the Social Action Committee of the Manitoba Association of Social Workers, and he was talking about the welfare system and the working poor. He said:

If that system can give him the supplement to his income or a guarantee of an income, or whatever it takes to bring him up to a level, I do not see it is necessarily a bad thing.

Senator Hastings then said:

What you are doing is giving that man a guarantee annual income through the welfare system with all the stigma that goes with it... Isn't that what we are doing?

And Mr. Brownlee answered:

In the present system, yes, but I would rather do that than see them starve. We are not omnipotent. We cannot change it under the present system.

And then the chairman of the committee put in his two cents' worth and said:

We are thinking of how it can be done.

We are now, of course, on the verge of committing yet a greater blunder, something that I think will blight our future. I ask honourable senators to think about it. We have begun in a mini way to assist fully employed persons, the working poor, through the welfare system.

The welfare people find themselves in a very dificult situation. A man may be working and earning \$300 a month, while a man on welfare is receiving \$290 a month. But, the man on welfare is receiving medical care, dental care, drugs, and other things, which to a family of four are worth \$40 a month across the board. The working man is sitting there and considering the fact that he is out the difference of \$30 or \$40 a month by not walking over and qualifying for welfare.

What happens is that that man goes to the welfare department and says: "I cannot get by. I shall have to quit my job and go on welfare." The welfare worker says: "Take it easy. I want you to go on working at your job, while I see if I can get authority to help you out." He then has to go back to the board to obtain authority to pay that man something, and the board says: "If we open this door, where are we?"

One province has opened the door, but that province is often accused of having money to burn. It is burning some of it very acceptably. The Province of Alberta is the only province that is going out to do a bit of a job in this respect. The provinces of Ontario and Quebec can afford to do the same thing, but they are not doing anything at all. Provinces are doing such stupid things as putting a man on welfare and spending \$270 a month,

instead of helping him out by giving him an extra \$50 or \$70 a month. This is being done. I am not overdrawing the picture.

If we start to supplement wages then we will engulf the working poor into the mystic web of welfare, and these people will start a journey without end. It will then be, of course, not just a blunder; it will be a monumental mistake. This committee has come on the scene just in time, and it will enable the Government and the country to reassess our position and to understand what we are getting into.

How we got where we are, I do not know. I should know, I suppose, but we have all got to put our heads together and see how we can get out of it. The working poor are producers and they have got to be kept away from the welfare system. If we are not able to accomplish that then we shall have opened up a Pandora's box. If the working poor can be kept working for minimum wages or less, and they can obtain some help from the welfare system, then the minimum wage will be meaningless. We will be back to sweatshop wages or worse, because the worker will know that he can get at some other place whatever the boss does not pay him. And the boss will also know it. That is the kind of situation we are facing. If we allow that to happen we shall have taken a long step into yesterday, yet we cannot and we must not deny these people whatever help they require.

I said earlier that about 250,000 persons could qualify for help. To give those people the incentive to stay away from that system we have to erase somehow the present invidious line between the working poor and those who are totally dependent upon public assistance. We have given the matter much thought. Each member of the committee has been thinking and talking about it. I think there is only one course open, to broaden the base for adequate basic income. Now, when I say broaden the base, there is another statement that would be interesting: 1,250,000 Canadians are drawing the guaranteed income in Canada today. We talk about it as though it was something new, something that is revolutionary. I will tell you where you can find them. There are 1,600,-000 people on old age security. Half of them fill in income tax forms, negative income tax method, and in that way get their supplements. That is a guaranteed income. That is the way we wrote it. There are 1,400,000 on public assistance in this country. Four hundred and fifty thousand of those are on long term assistance.

All I am suggesting is that we broaden the base and include some of the others, the 1,250,000 receiving an inadequate basic income, 800,000 of them under the device which collects money from the affluent and pays out money, negative income, to the poor with no means test, an income test contained in normal income tax form which the 800,000 have filled in for three years. It has not always been 800,000. The numbers have grown.

Four hundred and fifty thousand are receiving inadequate basic income through the welfare system. They are long termers who have been receiving it for over three years. Hon. Mr. Aseltine: Where did you get all these figures?

Hon. Mr. Croll: The department will give you the figures as to how many are on public assistance. We have accumulated the others in our committee evidence. First of all we were told in Toronto that there are at least 50,000. Senator Fournier (Madawaska-Restigouche) will advise you as to the New Brunswick figures. In any event, they come from the evidence. This money is paid, particularly to the 450,000, without counselling, planning, direction, incentives or hope and with indignity. It is coming through the welfare system just by way of a cheque.

Now, there is another half of the problem which to me seems totally inexcusable. I cannot justify it to myself and I am sure you cannot either. It is the disadvantages. I have spoken to you with reference to the blind, the crippled, the aged, the female heads of families. Do you realize that we have in this country 160,000 female heads of families, with 350,000 dependent children? They are divorced, widowed, their husbands are in detention.

Hon. Mr. Choquette: Mental institutions.

Hon. Mr. Croll: Deserters.

Hon. Mr. Aseltine: Just a moment. I do not think you are telling us anything about the activities of the committee. That is what you are calling attention to:

That he will call the attention of the Senate to the activities of the Special Senate Committee on Poverty and in particular during the summer adjournment.

I cannot follow you.

Hon. Mr. Croll: We sent you short reports as to what we were doing on our trips. A great deal of this information we picked up as we went around the country and are now giving it to you in capsule form. I cannot say we were told this in Newfoundland and this in New Brunswick; this is part of the accumulated information.

There are 160,000 female heads of families with 350,000 children in school or under their control. The welfare recipients, ill people, old people, persons anyway who are no longer in the labour force, need income, services, opportunities and some incentives.

The life circumstances of these recipients did not change in terms of their continuing eligibility for financial aid. They should no longer be put off. Surely they should be looked after, for here at least is an opportunity for us to compensate the children of the poor for what we failed to do for their parents. I spoke of the guaranteed basic income, as endorsed by almost everyone who came before the committee. We have to give serious consideration to this.

Every time this is mentioned everyone asks how much it will cost. I do not know what it will cost until such time as we fix a poverty line or a standard of living. It is impossible to tell, but a great number of people without knowing what it will cost have already made up their

minds that we cannot afford it. I think they should ask themselves, and I am prepared to ask them, can we afford not to do something?

As I see our mandate, it is to prepare a plan, a blueprint for a generation out of poverty. We are neither raiders nor guardians of the Treasury. It will have to look after itself and use its own best judgment. The Government will decide what we can afford and what we cannot afford. Ever since I came into politics I have heard the story that we cannot afford it. Yesterday a witness before the committee was told we cannot afford it, and he quickly replied that he had heard that with respect to every welfare measure that was ever proposed, beginning with the Old Age Pension Act in 1927.

I will also remind you that in 1966 we in the Senate brought in a recommendation for a guaranteed \$75 for old age folks and a recommendation that the age be reduced. You will remember how we worried because it was going to cost \$125 million to \$150 million. We lost a lot of sleep about it and finally decided this is it. We were attacked for proposing to spend \$125 million to \$150 million—people in the Senate of all places recommending this. Then the Government added the supplements and spent \$250,000 on it. The country was very happy and went along with it.

I remember another one back in the days of he Honourable Walter Harris, Minister of Finance in the St. Laurent Government. He said, "Six dollars is all this country can afford to give on a pension, and not a dime more. It will be doomsday before we give any more." A gentleman by the name of Diefenbaker said, "Pay no attention. We can give more." He was elected to office and raised the pension to \$15.00. We survived in affluence.

We must give a great deal of thought to this, because we have to do something. If we cannot do any more than just make a start, so much today and so much later, it will be worth while. The days of quiet losers are over. There has been a concept ingrained in many of the poor that they were born to a small loaf. I do not think they believe that any more. Wheter it was ever true or not I cannot say, but you would be surprised at the evidence we have on that.

I do not know what money we have to spend, but it occurs to me that if we are serious about doing something for the poverty stricken, our gross national product has increased year after year and brought us a certain amount of new taxes. Canadians do not have to give up part of what they have. All they have to do is make a commitment to share more equitably the increasing abundance the economy will provide. If it takes five or more years, we will have at least started. The history of social welfare in this country has always been the foot in the door.

I have taken too long, but I had to give you this information. My friend here, who is a senior and estimable member, has asked what the committee is doing. We are trying to fix a poverty level; that is, a standard of living. There have been studies by competent research personnel and organizations, and the committee has much useful information on that most vital aspect for study,

assessment and report. This is what we have for consideration, and it is a vital part of our program.

First, we have the Dominion Bureau of Statistics for 1967, who made a study for a family of one to five persons. We also have the Economic Council of Canada study of a family of one to five persons in 1968. Then there is the Ontario Department of Economics study for a family of one to five persons in 1969. Next there is the Canadian Institute of Public Opinion Gallup Poll for a family of four persons in 1969. The committee had a special study by the Canadian Institute of Public Opinion—what we call the Gallup Poll—made on its behalf for a family of five persons, which was completed in June, 1970. These questions were asked:

- (1) How many persons are in your hosehold who live as part of your household?
- (2) What was your family income last year before taxes?
- (3) What is the smallest amount of money a family of your size needs each week in this part of the country to maintain the lowest living standards acceptable to you?

We have that study for consideration. In addition, the committee had presented to it budgetary estimates by the Department of Health and Welfare as well as by other competent organizations, individuals and those on welfare. On top of that we have our own life experience. We know what it costs to live, or have some ideas anyway.

All these studies need to be updated for two reasons. I indicated that some were made in 1967, some in 1968 and some in 1969. The latest one was our own in 1970. They need to be updated for two necessary elements: increased cost of living, inflation, and increased standards of living. That is, the increase in the gross national product, which is the wealth of the nation. Updating ensures that all who receive a minimum income will also enjoy a portion of the improvement in the rising standard of living, so is the poverty line or the standard of living is fixed it can be kept automatically current at all times. We will have a very heavy responsibility in attempting to fix that.

Hon. Mr. Choquette: May I ask a question? Will not the amount, the minimum amount as you put it, vary considerably with the farmer and the fisherman, the man who not only has a farm but grows his own vegetables and can eat the year round almost out of the produce he will be getting, the man who lives by the sea or in a place where he can do a lot of fishing, salt fish and put it away? How can you arrive at a minimum income when you consider all this?

Hon. Mr. Croll: All these studies have been made with this in mind.

Hon. Mr. Choquette: I know, but I am asking if you have reached a conclusion.

Hon. Mr. Croll: We have not reached any conclusion. I have not even told you what our report contained, but all these elements that you mention were considered in every one of these studies, which were carried out by very competent people. You would be surprised to find

that there is less differential than would be expected. Sure the man on the farm has some advantages, but when he leaves the farm to start buying things in the city he has some real disadvantages too. In any event, these matters were taken into consideration.

There are many things that I am not going to raise today, such as education, which is so important and on which we have not completed our study, and the vital subjects of housing, day care, manpower training.

I should like to say just this. The deputy chairman and I at noon today decided that we had the answer to the poverty problem. I asked him if it would be all right for me to mention it before he made his speech and he agreed. The answer is: jobs, employment with living wages. That is the answer. We have never been able to achieve it. If we cannot, we must have some alternative. I leave you with this: that we are politicians, and politics is the art of the possible. I am satisfied that there is a desire and an awakening in this country about the plight of the poor. If you had received the kind of letters that Senator Fergusson and Senator Inman received from women they had met and from whom I also received letters, you would realize that these people are looking to us with hope. We owe it to them. We have got to do something. We can't sit this one out.

Immediately after the war I represented Spadina in the House of Commons. If there was a nationality, you could find it in Spadina. A great many of the people who came to that area had been war victims or in concentration camps. For various reasons they were on my neck all the time with regard to happenings here as they affect civil liberties or other things. I said, "Wait a minute, you are in Canada. You are not in Europe—in Germany or Rumania. You are in Canada, and it cannot happen here." I am not so sure any more. I am just not so sure. So far as we are concerned, and I think I speak for all members of the committee, we are going to do everything we can to make sure that it cannot happen here.

Hon. Senators: Hear, hear.

On motion of Hon. Mr. Fournier (Madawaska-Restigouche), debate adjourned.

#### POVERTY

Activities of Special Senate Committee

The Senate resumed from Wednesday, October 21, the adjourned debate on the inquiry of Hon. Mr. Croll calling the attention of the Senate to the activities of the Special Committee of the Senate on Poverty and in particular during the summer adjournment.

Hon. Edgar Fournier: Honourable senators, I should first like to congratulate the newly-appointed senators and welcome them to this institution. I have not yet had the privilege of meeting all of them personally, but I hope to very soon.

Originally I had intended to address myself to the Speech from the Throne, but since the time has elapsed

for doing so I just wish to refer to one statement in the Speech that is worthy of note:

—a society which is not inspired by love and compassion is not worthy of the name.

To "love and compassion" I would add understanding, because one cannot have love and compassion without understanding.

Honourable senators, with your indulgence I will now deal briefly with the subjects of poverty and unemployment, addressing myself to the aspect of unemployment first, since unemployment leads to poverty.

Unemployment in this country and in the United States is a most crucial problem at the present time. Unemployment creates social unrest and disturbance, misery, hardship, family disorder and family breakdown. I am sure no one here would disagree with that statement. Unemployment in Canada is a cancer in several forms, most of which are curable if caught soon enough and treated with proper understanding and especially with proper attitudes.

Although I hate to admit it, unemployment is going to go from bad to worse under the present social systems which exist in our country. Unemployment insurance, social welfare, and minimum income will not in themselves cure unemployment. In fact, these measures are gradually destroying the incentive to work, and are thus destroying our democratic system by producing nothing but dissatisfaction among both recipients and benefactors. Today, therefore, we find ourselves strangled by a system in which a great number of Canadians can find a better way of life through welfare and social measures, commonly known as hand-outs, than they can through work. This is a sad situation indeed, and it is a national disorder.

I must say that I deplore the way in which Senator Croll has been misquoted by the press in various remarks attributed to him. It is not an unusual situation to be misquoted by the press; on the contrary, misquoting is their usual habit.

In his various remarks Senator Croll has made several statements worthy of note. One of them is this:

Those appearing before us were unanimous in the view that the public welfare system has broken down, mired in bureaucracy and suffering from lack of leadership.

Honourable senators, he is so right; but he has gone even further than that. Last week he referred to the welfare system as an "impossible mess," but was quoted by the press as saying that it was a "mess". Well, with respect to its being either a mess or an impossible mess, I personally said eight months ago that welfare abuses were the curse of the nation, and I have not changed my way of thinking on that one bit.

Again the press has misreported Senator Croll by attributing to him the statement that welfare had to be replaced by a national minimum income. I have read and re-read Senator Croll's speeches and I see no place where such a blunt statement was ever made by him. Senator

Croll has spent much time giving the press information concerning committee findings across the nation and pointing out the difficulties arising from poverty, but there is one statement which he made which drew very little reaction, if any, from the press. I quote:

I should like to say just this. The deputy chairman and I at noon today decided that we had the answer to the poverty problem. I asked him if it would be all right for me to mention it before he made his speech and he agreed. The answer is: jobs, employment with living wages. That is the answer.

That is the end of the quote and it is found at page 36 of Hansard of October 21. That is what Senator Croll said, and it is in the light of that statement that I carry on in my humble remarks.

It is my opinion that in the past we have adopted an easy-out policy, one of blaming progress for unemployment by saying, "Ah! There is nothing we can do; this is progress." Or, "What can we do? This is the world today.' We have adopted a hopeless attitude instead of trying to face reality, and as a result we find ourselves today in an unpleasant impasse. Technology, despite all its pushbuttons, has failed the working man; for, while it has achieved benefits such as easier methods of production, easing off the burden of labour, and producing more goods, it has at the same time been a cause of unemployment.

The achievements have resulted in benefits to the producer, but the easier methods achieved by modern automated machines have left behind them a stream of unemployment which will never be dried up. At the same time not only has the price of a product not been reduced but rather it has been increased.

The so-called labour working force has been replaced in its turn by bulldozers, back diggers, loaders, conveyors, mechanical shelves, cranes and electronic buttons. The small fisherman's way of earning is bread has been replaced by heavy draggers. The forest industry is now going through an evolution that is disastrous for the lumberman. He is being replaced by chain saws, timber jacks and heavy trucks, all of which are taking their toll. Machines that make wood chips are making the man who cut pulpwood a thing of the past.

And what has happened to the coal industry? The coal producer has been ruined by the fact that industries have turned to oil-burning furnaces and the use of diesel fuel. Even the railways are resorting to diesels. You may ask what has happened to the underground coal digger. He has been replaced by machinery and automatic coal cutters. You may also ask what has happened to the railway track repairmen and maintenance workers. Practically all that work is now done by machine. There used to be extra gangs of 100 men or more. Now there are approximately ten machines and ten operators.

Honourable senators, that is to enumerate only a few of the industries in which there are problems of unemployment caused by modern technology. These are the few that I know well.

We, the administrators, have failed in our responsibility to ensure that persons who are dismissed from employment will be provided with alternative employment suited to their ability, employment that will enable them to provide their families with an adequate means of survival.

In my own home town, the only major industry is spending some \$44 million to rejuvenate or modernize its plant, but at the sad cost of a dismissal of some 400 men, some with 25 years of service and some of whom are advanced in age. Just think of the effect of displacing 400 people in one small community. It is something to be alarmed about. I do not object to modernization to compete in the world market, but I do have serious reservations when it comes to a massive lay-off while the company concerned is realizing millions of dollars in profit.

Where will these men go? What is left for them except unemployment and welfare? And this is what we have been doing during the last 20 years.

Sure it was nice, due to technology, to send a few men to the moon. But what was the cost? And what have we gained? Are we any better off today?

Union demands at times have been unrealistic and have forced companies to make costly readjustments usually followed by more push-buttons and the abolition of more jobs. Occasionally union demands have forced governments to initiate laws to protect certain classifications of people thereby making it impossible for a displaced person to accept employment or even to qualify for further employment.

In some instances our school boards got carried awaytoo often. I am afraid-by the personal ambitions of administrators who had no conception of poverty, no idea of the feeling of sitting at the dinner table with nothing to eat, having to go to bed on an empty stomach, sleeping on a few rags, and with the worry of an early eviction by the landlord for unpaid rent, or having to listen to the cry of a helpless, sick child who has to suffer agony because there is not a penny available to buy the necessarv medicaments.

This is followed by the misconception of poverty by the bureaucrats of the Department of Labour and many other government departments here in Ottawa, who, instead of embarking on an acceptable program of employment, embarked on a program of up-grading and raising the requirements for vocational training. I agree that to reach a certain standard in vocational training a higher education is in order. But what about the thousands and thousands of heads of families in their forties or fifties with a low education? Are they to become victims of starvation because of an ill-conceived program?

The unemployed are becoming furious. There are no limits to the anger of an empty stomach, especially when the person is surrounded by hungry children. They are becoming furious because they see no hope, no shining future, and all that remains for them is to lie down and die, cursing society for its failure. And, honourable senators, that society is you and I.

My colleagues on the Poverty Committee know what I am talking about because they too have heard these people. We have visited their homes. We have talked with them. We have talked to their children. It would be impossible for me to try to describe some of the scenes we witnessed. Never before have I thought that in a country like Canada, a country so rich in natural resources, this Canada of ours where the standard of living is amongst the world's highest, I would witness such living conditions.

These people are furious because during the last 15 years they have been running around the country to find employment, and when they succeeded in doing so and became established they were soon displaced by so-called progress. We have all this misery and poverty around us while we spend billions of dollars on social welfare. Just think for a moment what it would be like if those social measures were not in effect today. It would make the thirties, which we all remember, seem like years of good fortune.

And yet today we are so geared that we can spend up to \$30,000 to create one job. What a price to pay, honourable senators! What a stupid price, I would say! And to whom is it paid? In most cases to people who are taking advantage of the loose legislation covering the tax payer's money to serve their own interests rather than the public interest.

We can spend millions of dollars to send a satellite over our land so that we can have better television and telephone communication. We can build hundreds of expensive aircraft for defence, costing several million dollars each, and after completion place them in moth balls because we have no use for them—in fact they may never be used. I shall not even mention the Bonaventure incident. Then there was the lack of judgment and the costly error of the scientists on the Nova Scotia Heavy Water plant; and the building of the national white elephant, the National Art Centre, and the political adventures of the Prince Edward Island Causeway. There is the waste and extravagance by the CBC, the costly ambition of the NCC, and secrecy of operation of Crown corporations.

Hon. Mr. Martin: And what about the railroads?

Hon. Mr. Fournier (Madawaska-Restigouche): The list is bad enough, so I will not mention them.

Honourable senators, the poor of this country know about these things and unless we stop some of the nonsense that is going on and change our course, and change it quickly, we are in grave trouble. Over half a million Canadians are unemployed today. There is a new crop of graduate students coming out of our schools and universities each year, and their future in many instances does not look too bright. But these young people will not remain idle in the face of a society which has failed to keep up with evolution. Perhaps when I use the word "failed" I am being rather harsh, and should say a society which has been inadequate. But when an inadequacy is repeated year after year and legislation has failed to achieve the desired goals, I call it failure.

Why is it that some countries like New Zealand, Australia, Sweden, Denmark and Germany have no unemployment problems? Where have we gone wrong? We had better find out quickly or it will be too late.

Is our standard of living too high? Have we lost the incentive to work? Was the evolution too fast? If so, why? Did we give it too much attention without enough thought to its consequences?

Honourable senators, the Poverty Committee has tried and is still trying very hard to classify poverty and its causes. In many instances they were easy to classify but in some the classification proved more difficult. In our studies we found that some of the causes cannot be cured unless we take a serious look at some of the existing legislation which, in my view, is designed in such a way as to produce continuous conditions of poverty. Let me hasten to add that I do not believe or accept that such legislation was designed for that purpose, but I feel it was designed by people who were far removed from real poverty and its causes.

The Chairman of the Committee, Senator Croll, gave the house a good explanation of the problems of classification. He produced facts and figures which I fully endorse, because they are a tabulation of the latest figures produced by the provinces and various groups of welfare workers in each province. Those various bodies know what they are talking about. In fact, one might be quite surprised to find out how accurate they are.

Honourable senators, in our classification we have found a group in our society that I refer to as the working poor. Who are the working poor? Somewhere along the line we have overlooked these people. We have put too much emphasis on skills. I shall try to give you one example of this. Today there are thousands of married people in their forties and fifties who have young families of five or six children. They have no education, and it is impossible for them to change. You cannot upgrade them. Perhaps some of them have been working as motor mechanics, a trade which is known to me. They know how to dismantle a motor and to repair a differential or transmission, but all they can earn at that is \$55 a week. They cannot live on that; they need \$75 or \$80 a week. What can we do? We have tried to upgrade such a person but it is impossible to take a man with grade 5 or grade 6 education and in one year upgrade him to a grade 12 level so that he will be qualified to take a trade. Manpower will allow you only one year from grade 7 or 8 to make up four or five grades. As I said, it is impossible, and so this fellow cannot live on what he gets. The cost of living is too high for him. He cannot get any welfare or assistance of any type because he is employed. The only solution to the problem is for him to get kicked out and find himself without a job, and then to call welfare to get paid \$80 to \$85 a week. Honourable senators, this is the system we have today, so there is definitely something wrong with it. Why do we not try to keep him on his job, to keep him as he is now, away from welfare, and pay him the difference so that he can have a decent living. He cannot live on this, and if he does not have enough to live on decently he is going to become a rebel of society. Many are bordering on this now. This is only one case among the hundreds of thousands who are struggling and fighting poverty. These people do not have access to any of the social welfare benefits. These men are getting furious, fed up with evolution, fed up with society, and are being driven to becoming rebels among their surroundings—and this applies to all members of their families—when legislation drives them away from work and directs them towards idleness. Idleness is the mother of all vice, and some of the legislation is the father of it.

We are living in a sick society. I feel it is a sick society when freedom is abused every hour of the day, with no respect for the consequences. It is a sick society where respect for and co-operation with the authorities elected by a democratic system are gradually being replaced by obstruction, vengeance and, too often, by revolutionary action. It is a sick society with a monetary system whereby every dollar in reserve may be doubled in 10 to 12 years due to the high rate of interest, without any effort or contribution on the part of the investor. It is a sick society, where the price of admission to our favourite sports events has become prohibitive for the masses, when players demand up to \$100,000 a year to play the game.

It is a society where strikers have now reached the level of riding around the countryside in Cadillacs driven by chauffeurs. It is a sick society where the school and university students have replaced obedience and discipline by rebellion and student control. It is a sick society where "liberty" and "freedom" of the individual have reached the point of special protection and bodyguards. It is a sick society when our over-fed nations have to bury surplus crops and curtail wheat production while half of the world's population is starving. It is a sick society when our few religious programs on Sundays are being replaced—I do not have to tell you by what. It is a sick society when two-thirds of the working force have to support the other third in idleness.

Poverty can no longer be held under the rug of low education and refutable excuses. Today poverty is no longer restricted to the illiterate. Poverty is no longer accepted as a family heritage. And I repeat: tolerance, patience and waiting have been pushed to the extreme. Immediate action is needed.

We all know what a few terrorists have done to the nation during the last few weeks. We all know what 100 determined people, or perhaps fewer, have done to all of us because they are sick of society.

Honourable senators, how are we going to control  $4\frac{1}{2}$  million poor in Canada, whether or not they are working? On another occasion I intend to give you a breakdown of those whose income is under the poverty level.

Honourable senators, we ask ourselves the question: What are we going to do? Ihave asked myself the question: What am I going to do? We talk about our lousing shortage. We have visited many slums, some impossible to describe. There always seems to be some excuse, yet I want to offer you a possible immediate solution to one aspect of this poverty problem.

We did it in the early forties, when we had to defend ourselves from possible invasion by ruthless invaders. We had no difficulty in solving one aspect of the problem, and here I want to refer to the housing of our troops. It was no problem to build confortable living quarters for them. We provided them with the best living quarters, recreational facilities, playgrounds, swimming pools, theatres, service halls, churches of every denomination, transportation, central-heating systems, service centres, and so on.

Today we talk of a shortage of housing—we have ghettos, shacks and slums. Why cannot we do the same thing today? We have the experience. We know how. We have the labour force, including the unemployed skilled. We have the timber and the lumber. Our warehouses are overloaded with supplies and building materials. Yet we keep one-third of our working population on welfare, unemployed, producing nothing, and perpetuating thousands of ghettos by putting patches over patches, year after year—and we call this "family heritage."

Honourable senators, unless we are honest in our approach to the problem of poverty in all its aspects, with all the facts related to it, and determined to take the necessary steps in its regard, we will be creating new problems, with dire results for our country. In an affluent country like ours, we can no longer tolerate indifference to pain, hunger and ghettos.

No Canadian should go to bed suffering from the pangs of hunger. Every Canadian is entitled to a decent place in society.

The dictates of society should adjust to the capacities of individuals, instead of individuals having to adjust to the dictates of society. In my opinion, that is where we go wrong. I repeat: the dictates of society should adjust to the capacities of individuals, instead of individuals having to adjust to the dictates of society.

That, honourable senators, is the cancer which is destroying our society and fostering poverty. Unless we apply immediate remedies to that cancer of poverty, it will destroy society.

The poor are tired of waiting. They have come to the end of their forbearance. Driven by pain, hunger, ill-health, migrations and the demands of a life which has nothing in store for them but poverty and care, they are a ready prey for the first movement promising them improvement of any kind because, as things now stand, they have nothing to lose.

Honourable senators, in closing I want to say a word or two about pollution, which is a subject everyone is talking about. Pollution and environment is the talk of the nation, by scientists, chemists, engineers, professors, students, and what-have-you. Pollution is the talk of the day. Everyone is interested. Everyone is becoming aware of the immediate danger because we have been warned of it and warned very strenuously on several occasions. Our life has been threatened: pollution of the air, pollution of the sea and fresh water, pollution of the soil. We all agree that immediate action is needed. We have been warned. Yet no one talks about the greatest pollution of all: pollution of society and pollution of the soul by a

corrupted environment. Honourable senators, poverty is a form of pollution in our society today. It can and must be cured if we want to survive and if we want our children to survive. This cure will be obtained by work, by providing jobs and more jobs to take advantage of the ability of the unemployed. Education alone will not solve the problem of today. At this moment these people have to eat and live as other Canadians.

No one has ever suggested that two-thirds of the population should support the other one-third in idleness when that one-third is physically able to work. A new look and a new approach to the whole situation is required. No one expects this to be accomplished overnight, but a start somewhere is needed, and it is needed now. This is what your committee is studying, and what it is trying to discover.

Your committee is trying to group the poverty-stricken into different categories of the handicapped, the disabled, the widows, the deserted wives who have to support their children, and those suffering from old age. All these people are living in conditions that leave much to be desired and all these conditions can be alleviated under the Canada Assistance Act. The immediate problem—and it is a vicious problem—is that concerning the working poor and the unemployed. The laws of the society in which they live requires that they receive no other revenue than that from welfare. To me this is a form of pollution that needs immediate attention.

Honourable senators, please do not blame me, as a member of your committee, for presenting the facts as I find them, I do not like to say these things any more than you like to hear them.

In closing I want to refer to an article that appeared in the Montreal *Gazette* this morning under this headline: "\$200 million boost for Quebec Economy". In the text that follows there is this paragraph:

In terms of the new jobs they will create, the projects are somewhat of a disappointment. The largest investment will yield only 350 permanent jobs...

this is shocking, but it is the sort of thing we have to face and think seriously about. It is something that is going to go from bad to worse. We are going to be spending millions upon millions of dollars in creating new jobs because everything is becoming automated and mechanized.

Hon. Mr. Paterson: And unionized.

Hon. Mr. Fournier (Madawaska-Restigouche): Yes, and unionized. This is what creates poverty. It is true that during the construction stage there will be a boom in employment in that area, but after the construction is completed we will have an investment of \$200 million providing approximately 300 jobs. The same thing is being repeated month after month, and year after year. I think we have reached the limit when the old system cannot carry us any further. We must change our approach, modify our legislation, take another look at society and see it as it is. We must be realistic and start facing facts. We cannot afford to turn our heads away

any more. We must face the facts as we see them, and try to find ways out of our difficulties. If we do not we are doomed, because in a very few years conditions are going to be much worse.

Honourable senators, you would be surprised at the statements made by a delegation that came before the committee. We were told of the working poor being completely dissatisfied with society, because they are hungry and their children are hungry, and there is no hope for them under the existing system. The money they receive from welfare does not meet their requirements. We are spending billions, and getting nothing in return.

We have to arrive at a solution to this problem, and to put people to work according to their capacity and ability. The system of education that we are trying to work out is for the coming generation, and not for the generation of today. It is among the generation of today that we find the hungry people.

Hon. Chesley W. Carter: Honourable senators, I did not intend to speak in this debate and I have no prepared remarks on the matter. But I feel a few words should be said in reply to the observations made by the honourable Leader of the Government and that this is the appropriate time to make them.

The honourable leader began by saying that he did not intend to criticize the work of the committee but that he did feel a reply should be made to certain criticisms that had been made of the existing system of welfare. He made a very good defence of his system, and I give him every credit for that. But in making that defence he did set up two or three straw men which he proceeded to shoot down.

Hon. Mr. Choquette: Is that unusual?

Hon. Mr. Flynn: It is a very typical exercise.

Hon. Mr. Carter: Nobody that I know of has ever contended that a guaranteed annual income is the sole answer to the problem of poverty. Whatever guaranteed annual income we may have will necessitate services which will have to be provided in addition to income. There will also have to be some special measures to take care of special needs which cannot be looked after by a uniform payment.

Nobody that I know of has ever advocated that the guaranteed annual income should replace social security payments which are conditional or contractual in nature, such as the Canada Pension Plan, unemployment insurance payments, or workmen's compensation, which I understand is paid by the province. These measures are more or less outside the regular social security system.

To bolster his defence of the present system, the honourable leader drew upon a brief submitted by the Canadian Labour Congress, which spoke up for retention of the family allowances and old age security payments, and emphasized that the answer to the problem is economic growth. I understand that the honourable leader supports that stand.

Hon Mr M:

Hon. Mr. Martin: No, I made no comment in support. I simply pointed out what they said and I compared that with some of the things I had said. I did not say I agreed or disagreed.

Hon. Mr. Carter: I cannot see much point in quoting the people from the Canadian Labour Congress unless what they had to say bore some relation to supporting the argument you were making.

Hon. Mr. Martin: They were in contradiction with some of the things that had been said. That is why I brought out those points.

Hon. Mr. Carter: Had the honourable leader attended the committee meeting this morning he would have heard a brief submitted by the Social Planning and Research Council of Hamilton. That group more or less proved, by research which it carried out on its own, that economic growth is not the answer to poverty. All we have to do is to look back over the years, particularly the years during which economic growth in Canada has been phenominal, and we find that poverty has grown at the same time. Obviously growth in itself is not an answer to poverty.

Hon. Mr. Martin: Agreed.

Hon. Mr. Carter: Now with respect to family allowances and old-age security, I think we all agree that they are good measures. But let me point out, honourable senators, that family allowances today are costing \$600 million, a fantastic sum, and if we were to increase them by the extent to which they have been eroded by inflation since the last increase was given and bring them up to the money value which they had at the time they were

introduced, it would cost nearly \$1 billion. So, honourable senators, while these and other social measures are good, the whole social welfare system is tremendously expensive and is going to become even more expensive. We must find some way of administering that money more efficiently.

One of the difficulties, in my opinion, with family allowances and old-age security is that they are demogrants and as such they are not selective. They are not given merely to people who need them; they are given to everybody whether they are needed or not. Now it is said that this is not important because in the case of people who do not need them they are paid back in the form of taxes. But that is not the case because of the people who get them without needing them, very few pay more than 50 per cent of their income in taxes, so very few of them pay back more than 50 per cent of what they get. So, honourable senators, we have the situation that payments are being made to people who do not need them, while there are more people below the poverty level who do need them. I am sure we can make better use of our money than that.

Honourable senators, the total social security bill for Canada at all levels is somewhere between \$6 billion and \$7 billion, and there are various estimates that to bring up the lower income groups to the poverty level would cost between another \$1\frac{1}{2}\$ billion to \$2\frac{1}{2}\$ billion which in turn would bring the total up to approximately \$8 billion or \$9 billion, or roughly 10 to 12 per cent of our gross national product. The very fact that we are spending \$7 billion today for social welfare and still have 25 per cent, or four million people, below the poverty level means only one thing, that there is something radically wrong with the present system.









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